



ANNUAL REPORT 2009/2010



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4240

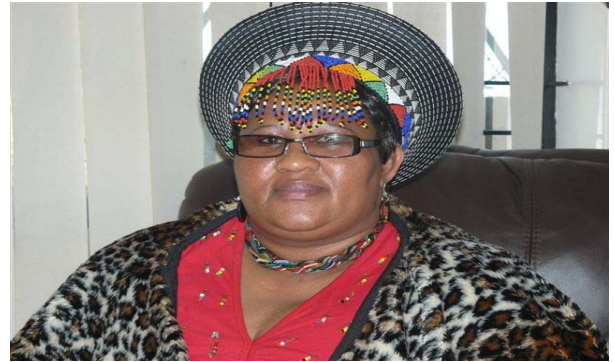
January 2011



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HERWORSHIP'S FOREWORD



The central role of local government is to provide for the needs of all in our community in the form of services. Such needs are identified through public participation processes such as izimbizo, IDP Fora and Ward Committee meetings. Whilst mindful of the sheer volume and variety of such needs, we are pleased that significant progress has been made in order to meet them.

Each and every year we come up with a budget striving to ensure that we spread our financial resources to reach every corner of Hibiscus Coast Municipality, so our people can experience a better life.

That budget was communicated during our seven cluster meetings called izimbizo. We met and spoke to hundreds of our people who were given a chance to make their inputs. Although we have a core-mandate which is to provide services to all our people, I must state however, that as a municipality we did not miss out on an opportunity to capture the spirit of the 2010 FIFA World Cup held here in South Africa.

Efforts to create awareness and mobilize support for the greatest showpiece on earth gained momentum within Hibiscus Coast Municipality during this financial year. This was aided by the agreement reached with the Algerian Football Association to set up their base within Hibiscus Coast Municipality. Furthermore, successful Public Viewing Areas were organized by this municipality where scores of people streamed into this area to enjoy and witness a once in a lifetime experience of live soccer matches.

At this juncture I wish to offer thanks to all members of the community, who are our clients, for their continued valuable inputs into our programmes and endeavours. It is indeed in the true spirit of government by the people that we continue to engage one another on matters that have a direct effect on all of us.

I would also like to record my gratitude to Council, the Executive Committee and all Portfolio Committees for their commitment to the vision of this municipality. Finally, appreciation must also be expressed for the Municipal Manager and his team, as well as all members of staff, who continue to ensure that the strategic objectives of this municipality are realized.

Cllr NF Shusha
Mayor

MUNICIPAL MANAGER’S FOREWORD

Mr SW Mkhize
Municipal Manager

AUDIT COMMITTEE CHAIRPERSON'S REPORT

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We are pleased to present our report for the financial year ended 30 June 2010.

1 Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) and the Hibiscus Coast Municipality's Audit Charter, the Audit Committee must consist of five members, three of whom must be external independent members. None of the members may be councillors.

The Audit Committee consists of the members listed hereunder and meets at least four times per year as per its approved Charter. During the year under review the mandatory quarterly meetings were held.

Number of meetings attend by members

Mr Anil Ramnath (Chairperson) External member 4/4
Mr David Parry External member 4/4
Mr Silas Hlophe External member 1/4
Mr SW Mkhize Municipal Manager 1/4
Ms L Thwane Chief Financial Officer ¾

2 Audit Committee's Responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2)(b) of the Municipal Finance Management Act (No 56 of 2003). The Audit Committee has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

A summary of the Audit Committee's responsibilities in terms of the foregoing Act and its Charter is that it is responsible for, amongst other things, the following:

Auditors and external audit

Discuss and review with external auditors, inter alia,

- ✓ the nature and scope of the audit function;
- ✓ agreeing to the timing and nature of reports from the external auditors;
- ✓ considering any problems identified in the municipality as a going concern;
- ✓ review the Auditor-General's management letter and management response; and
- ✓ meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

Annual Financial Statements

- ✓ review and discuss the unaudited annual financial statements with the Accounting Officer prior to
- ✓ presentation of the foregoing financial statements for audit together with recommendations, if any,
- ✓ regarding amendments to the said statements;
- ✓ review and discuss with the Auditor-General and the Accounting Officer, the audited annual financial
- ✓ statements to be included in the Annual Report;
- ✓ review significant adjustments resulting from the audit;
- ✓ review effectiveness of the internal audit;

- ✓ review risk areas of the operations to be covered in the scope of the internal and external audits; and
- ✓ review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

Internal Control and Internal Audit

The monitoring and supervising of the effective function of the internal audit including;

REPORT OF THE AUDIT COMMITTEE

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evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
 review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business;
 initiating investigations within its scope e.g. employee fraud, misconduct or conflict of interest.

Ethics

Reviewing the effectiveness of mechanisms for the identification and reporting of:
 any material violations of ethical conduct of councillors and municipal staff;
 compliance with laws and regulations; and
 environmental and social issues.

Compliance

carrying out investigations into financial affairs as Council may request;
 reviewing the effectiveness of mechanisms for the identification and reporting of:
 compliance with laws and regulations; and
 the findings of regulatory bodies or audit observations.
 The Audit Committee is satisfied that, it has complied with its responsibilities and has discharged them properly and efficiently.

3 The Effectiveness of Internal Controls

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported.

4 The Quality In Year Management And Monthly/Quarterly Report Submitted In Terms Of The MFMA

The Audit Committee has not received and reviewed certain performance management reports and is unable to comment on the content and quality of these monthly and quarterly reports. Except for the foregoing reports, the Audit Committee is not satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

5 Internal Audit Function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of projects undertaken by Internal Audit, arising from the risk assessment:

Asset Management Review
 Cash Management
 Public Works Process
 Procurement of Goods and services
 Leave and Time Management

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All reports and assignments are followed up by Internal Audit and the Audit Committee to ensure that management actions have been implemented. This action was necessary to ensure that management does not temporise Audit Committee and Council.

Further, assignments of the past four years will be compared and management will be accountable where no progress in reducing risk was made with repeat assignments, especially where, in the opinion of the Audit Committee, the audit risk remained high and could have been reduced.

The Audit Committee is not satisfied with the performance of the Internal Audit Function and the Committee notes that several of the foregoing projects have not been completed by 30 June 2010.

6 Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the Annual Report;

- reviewed the Auditor-General's management letter and management responses;

- reviewed the accounting policies and practices;

- reviewed significant adjustments resulting from the audit;

- evaluated the audited annual financial statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as South African Statements of Generally Accepted Accounting Practice (GAAP) and certain statements of Generally Recognised Accounting Practice (GRAP) and statements of Generally Accepted Municipal Accounting Practice (GAMAP).

The Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

The Audit Committee also notes the Emphasis of Matters: Material losses – Illegal connections of electricity – R1.25m.

The Audit Committee also notes the Auditor General's remarks under the headings "Report on Other Legal and Regulatory Requirements", "Internal Control" regarding both the Hibiscus Coast Municipality as well as the Hibiscus Coast Development Agency.

7 Appreciation

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contributions that they have made.

As an Audit Committee, we rely to a great extent on the Internal Audit department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Hibiscus Coast Municipality. We are indebted to them for their cooperation and assistance.

We are also grateful to the Chief Financial Officer, the Auditor-General, and all other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.

Mr Anil Ramnath

MUNICIPAL OVERVIEW

The year under review has seen a renewed commitment to address the challenges the municipality has faced. The Municipality has worked hard to fulfil its legislative mandate. Through its hard work and focus the municipality managed to maintain its stability and prosperity. The municipality has seen much growth, vibrancy and commitment in fulfilling its mandate.

It is important to note that challenges still prevail in meeting its local government mandate. The municipality is well placed to provide strategic direction. It has developed creative ideas to meet its mandate and mitigate risks. The municipality is striving to meet the millennium development goals. Thus improvement was seen on infrastructure, health care, financial management, provision of basic services, and other municipal mandates.

During the year under review the municipality developed the SDBIP which was informed by and aligned to the five year IDP and the municipal budget. The SDBIP translated the IDP objectives into operational plans with specific targets and budgets per quarter.

Composition

The Hibiscus Coast Municipality (KZN216) is a B category type municipality in the Ugu District (DC21) in the Province of KwaZulu Natal. The municipal area is approximately 837 square kilometres. The municipality consists of five previous transitional local authorities (TLCs) and six traditional authority areas. Towns are located along the urban strip and the traditional areas are located in the hinterland or the south western side of the municipality.

The Hibiscus Coast Municipality's coastline runs from Hibberdene to Port Edward. The municipality's geographic location is 30° 22 seconds and 30 minutes East and 30° 45 seconds 0 minutes South. The municipality's population is projected at 285 848 for 2008/2009, refer to Map 1 overleaf indicating the municipal location.

Transitional Local Councils:

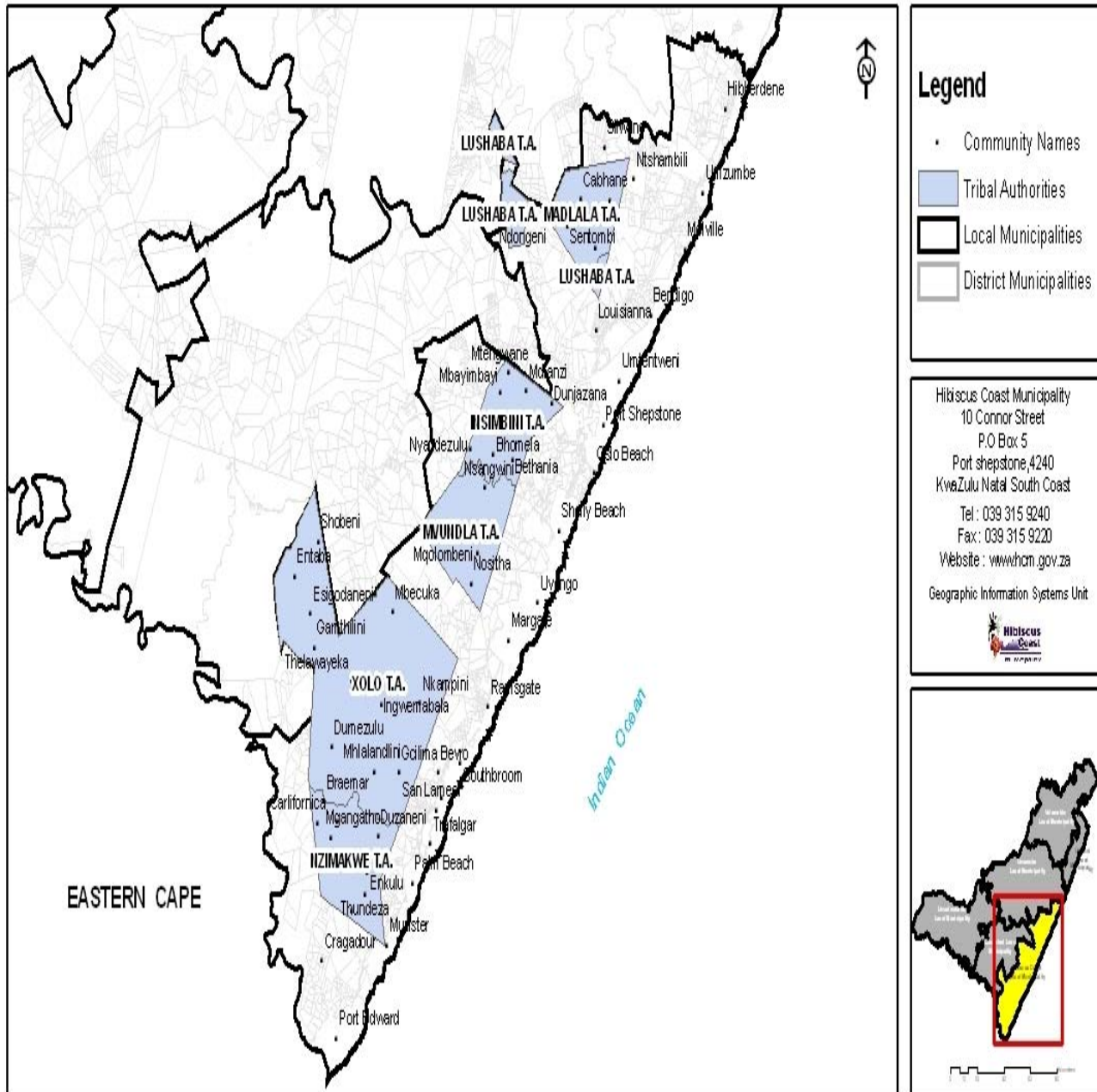
- Port Shepstone
- Umtamvuna / Port Edward
- Margate
- Hibberdene
- Impenjati / Southbroom

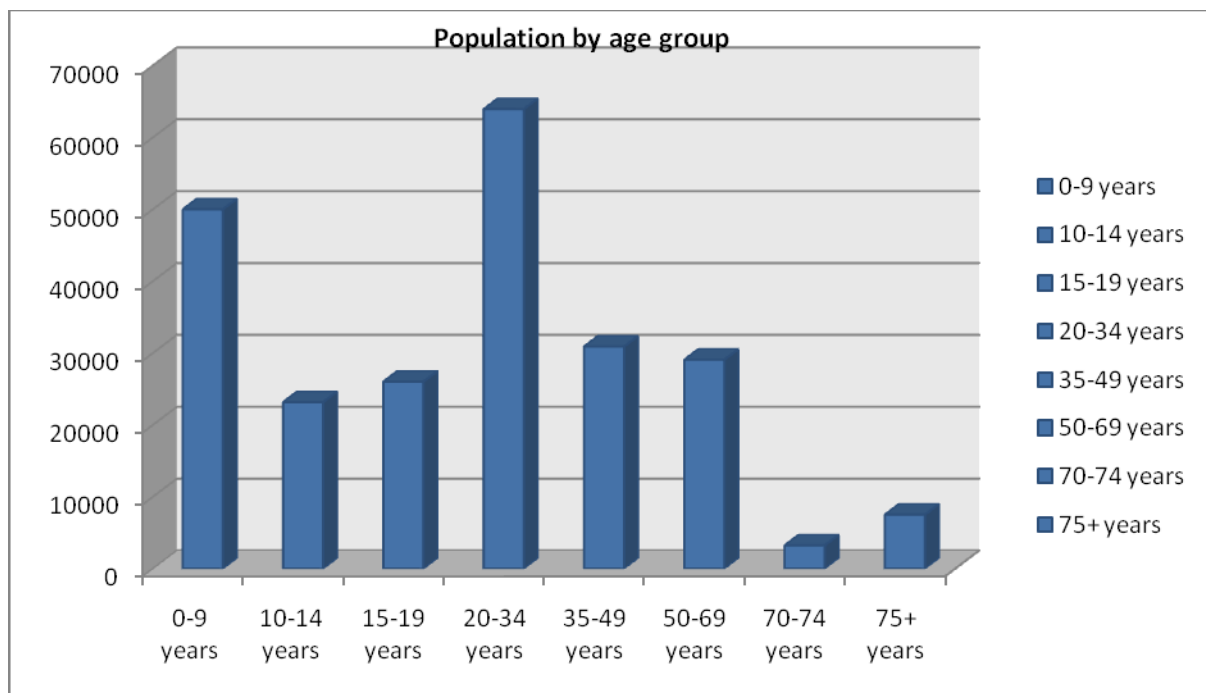
HCM comprises of the following traditional areas:

- KwaXolo
- KwaNzimakwe
- KwaNdwalane
- KwaMadlala
- KwaMavundla and
- KwaLushaba

DRAFT

HIBISCUS COAST MUNICIPALITY

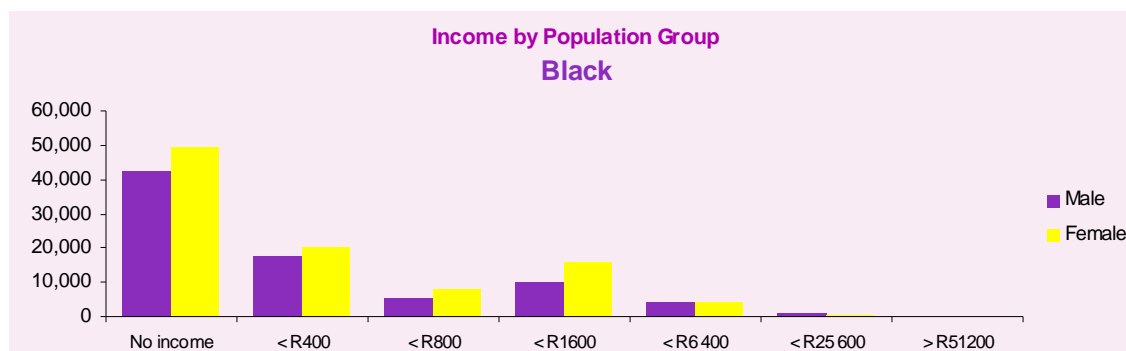


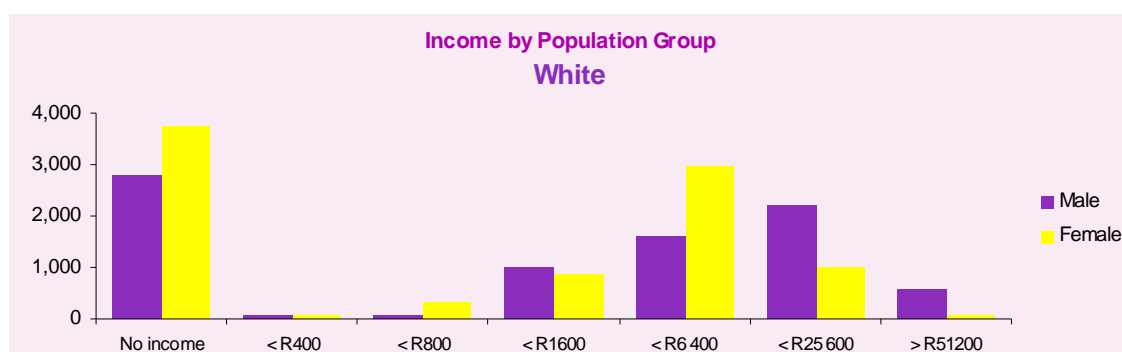
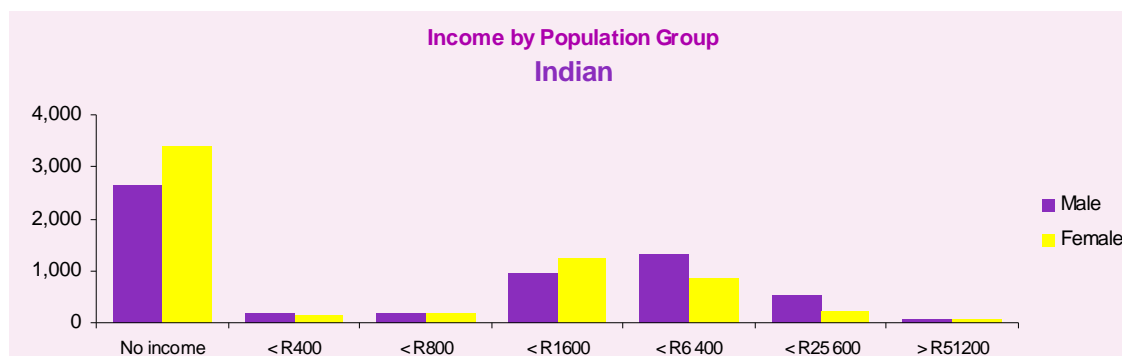
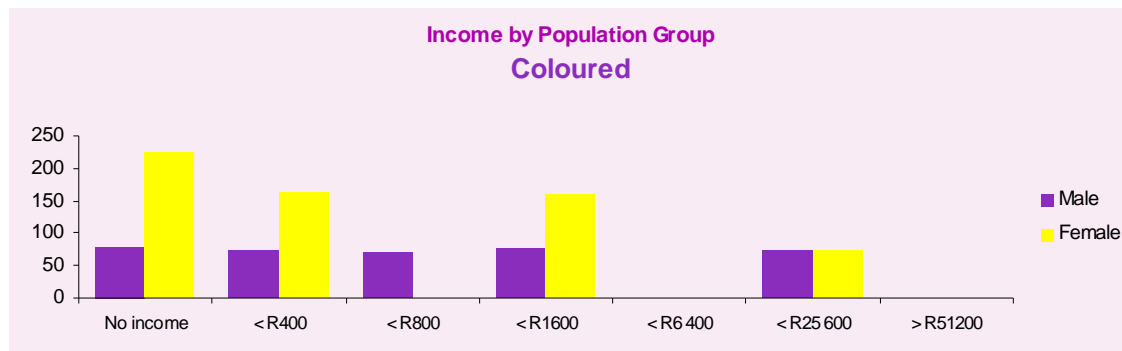


Source: Global Insight, 2010

The graph above highlights the municipal population in 5 year age groups

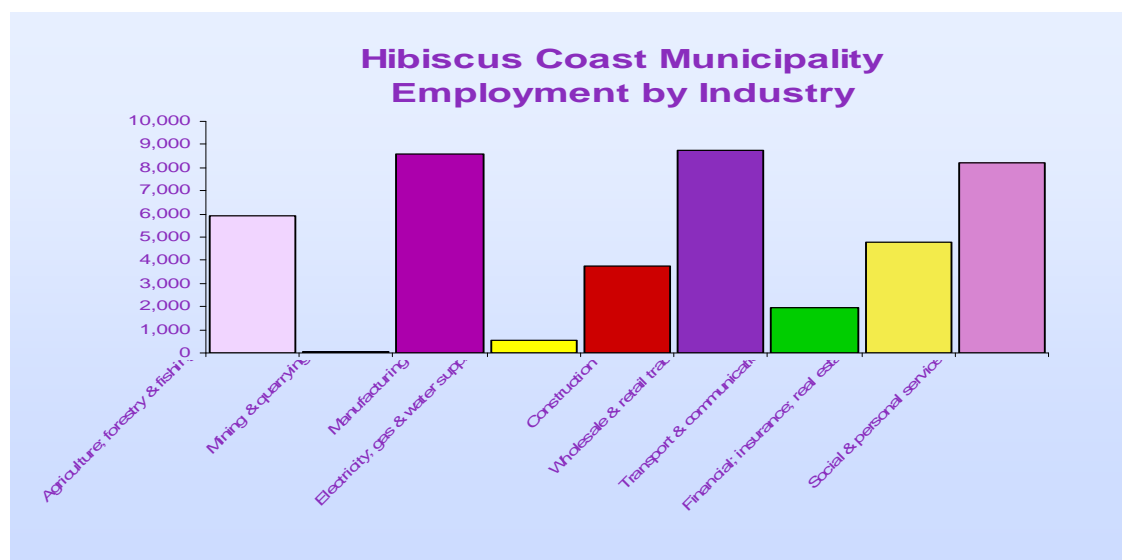
Income levels





Source: Statssa Community survey 2007

The bar charts above highlights the income generated within HCM, broken down by race population



Source: Statssa Community survey 2007

The bar chart above highlights the employment industries within the municipality

The Indigent Policy

The municipal indigent policy is aimed at ensuring access to minimum water supply and adequate sanitation (basic services provision) in a sustainable and cost effective manner and to provide subsidization guidelines to deserving households within the Hibiscus Coast Municipality. The municipality invites households who earn less than two state pension and whose property value is less than R220 000.00 to apply for this benefit on a yearly basis. In case of abuse and fraudulent activity, the household beneficial right is withdrawn.

Control measures for the distribution of indigent support are as follows:

- The municipality advises both successful and unsuccessful applicants of the status of their applications and informs the successful applicants of the terms and conditions of the subsidy.
- Names of households receiving benefits, stand numbers and the amount of total household income are displayed on council notice boards.

On approval of the application the municipality permits six kilolitres of free water supply per month to qualifying dwelling free of charge.

Vision and Mission Statement

Leadership and administrators were clear about the municipal vision and referred to the municipal vision in all the strategic planning and review sessions that were held in the 2008/2009 financial year. All programmes and projects were aimed at ensuring that the municipality puts a strong emphasis in realising council's vision

VISION

To be a thriving, well managed, tourist- friendly, national leader providing all its inhabitants with quality services in a safe and healthy environment.

MISSION

That it strives to excel at providing quality services for all, facilitating collaborative partnerships and creating an enabling environment for sustainable development.

Municipal Mandate

The Hibiscus Coast Municipality strives to realise the following as enshrined in the RSA constitution of 1996:

- Giving priority to the basic needs of the local community.
- Promoting the development of the local municipality.
- Ensuring that all members of the local municipality have access to at least minimum level of basic municipal services.
- Finding ways of executing its powers and functions in a manner that maximizes their impact on the social and economic lives of its communities.

The constitution further lists the following as objectives of local government:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community based organisations in the local government matters.

Strategic objectives

RESPONSIBLE DEPARTMENT	IDP STRATEGIC OBJECTIVES
1. Municipal Manager's Office	<ul style="list-style-type: none"> ○ To ensure the Municipal Turnaround Strategy (MTAS) implementation ○ To promote a culture of participatory democracy and integration ○ To develop and implement a credible IDP ○ To ensure that all performance agreements are signed and submitted to province ○ To review and implement communication strategy ○ To ensure implementation of broader public participation policies and plans ○ To provide executive support at all times ○ To establish, revive and enhance Inter-governmental Relations (IGR) structures to facilitate inter-governmental dialogue with relevant national, provincial departments and Ugu District Municipality ○ To effectively manage staff and data management ○ To implement Batho Pele principles ○ To facilitate the creation of a safe environment for all inhabitants ○ To ensure organisational policies and procedures are in place ○ To improve the quality of service delivery to strengthen democratic processes ○ To fully implement special programmes ○ To create community awareness and enhance good governance and public participation ○ To promote public participation and ensure functionality of ward committees ○ To effectively utilise the Community Development Workers

	<ul style="list-style-type: none"> ○ To implement an effective PMS ○ To ensure accessibility to government service and promote good governance ○ To clarify roles and responsibility of politicians and administration ○ To ensure stakeholder liaison including Amakhosi consultation ○ To implement the Occupational Health and Safety Act ○ To minimize fraud, risk and corruption ○ To formalise SCOPA ○ To develop HCM as a SMART municipality ○ To provide appropriate facilities and programmes for the youth
2. Corporate Services	<ul style="list-style-type: none"> ○ To provide leadership and support to staff ○ To ensure sustainable institutional capacity ○ To provide training for employees and councillors through tuition assistance programmes ○ To provide employee assistance programmes for councillors and staff ○ To support workforce and increase productivity ○ To develop and implement Human Resources plans ○ To develop and implement an Equity Employment Plan focusing on Previously Disadvantaged Individuals ○ To conduct and facilitate skills audit for the implementation of the Work Skills Development Plan ○ To ensure sound labour relations between the employer and the employee components ○ To provide information services and computer support to all departments ○ To ensure efficient and effective management of leases and disposal of Council owned properties. ○ To facilitate the implementation of Adult Basic Education and Training Programme

	<ul style="list-style-type: none"> ○ To ensure functionality of the Local Labour Forum ○ To promote and uphold principles of good governance. ○ To implement Batho Pele Principles. ○ To implement Occupational Health and Safety Act and Policy ○ To facilitate the creation of safe environment for all staff ○ To minimize fraud risk and corruption
3. Treasury	<ul style="list-style-type: none"> ○ To ensure financial sustainability and management ○ To uphold treasury norms and standards (budgeting and reporting) ○ To develop revenue enhancement strategies ○ To source additional funding ○ To develop a five year financial plan in line with the IDP ○ To review the supply chain management policy ○ To review the indigent policy ○ To fully implement Municipal Property Rates Act ○ To effectively manage municipal expenditure ○ To manage and control municipal assets ○ To review debt management policy and increase rate collection ○ To capacitate staff ○ To support IT services ○ To develop an inventory strategy by June 2011
4. Local Economic Development	<ul style="list-style-type: none"> ○ To develop the Local Economic Development strategy ○ To promote and facilitate economic transformation, sustainable growth and development ○ To stimulate and ensure economic growth ○ To support and grow new and existing businesses ○ To facilitate development a rural development

	<p>strategy in line with the Provincial Rural Development Strategy</p> <ul style="list-style-type: none"> ○ To lobby public service institutions to utilise procurement in supporting small businesses ○ To facilitate and support implementation of the income generating projects targeted at small emerging businesses (at least 5 per year) ○ To provide secondary support to business enterprises ○ To support SMMEs and Co-ops ○ To take full advantage of the spatial and location opportunities ○ To ensure a thriving economy of both 1st and 2nd economy by 2% ○ To ensure 5% reduction in unemployment rate ○ To stimulate rural tourism ○ To attract investments ○ To implement special projects ○ To promote local economy ○ To ensure functionality of four Thusong Service Centres ○ To grow rural economy ○ To develop strategies for integration of areas with economic potential with those of high household poverty ○ To address skills gap in the economy ○ To ensure that the regional comparative advantage strategies for spatial reconstruction of the regional land release, social, economic and infrastructure to enhance economic development ○ To promote and facilitate public infrastructure investment ○ To capacitate staff ○ To implement Batho Pele principles
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5. Human Settlements and Infrastructure	<ul style="list-style-type: none"> ○ To facilitate water and sanitation provision (Ugu DM) ○ To ensure that all households have potable water within 200m of their dwellings ○ To ensure that all households have at least a VIP toilet ○ To facilitate provision of electricity ○ To provide access to free basic services ○ To ensure accessibility to roads ○ To provide community and public facilities ○ To ensure that inhabitants of HCM live in formal and decent housing by 2014 ○ To increase capital expenditure to 100% of the municipal budget ○ To ensure spent 100% of MIG allocation ○ To promote sustainable infrastructure development ○ To implement Batho Pele principles ○ To facilitate the creation of a safe environment for all staff
6. Planning and Building Control	<ul style="list-style-type: none"> ○ To ensure that there is a credible Spatial Development Framework (SDF) in place ○ To ensure that strategies for the realization of regional comparative advantages in line with spatial reconstruction, regional land release , social, economic, infrastructural and commercial development are in place ○ To ensure that spatial analysis forms the bedrock in the development of Land Use Management Systems (LUMS), Environmental Management Plan (EMP) and Strategic Environmental Assessment (SEA) ○ To manage and regulate the built and natural environment ○ To restore and protect the natural resources, beautiful scenery and indigenous plants. ○ To ensure provision of facilities and amenities

	<ul style="list-style-type: none"> ○ To enhance central business districts ○ To process plans in line with the provisions of the National Building Regulations and Standards Act (within 2 months of receipt) ○ To implement the KwaZulu Natal Planning and Development Act ○ To promote a healthy and hygienically safe environment, which supports sustainable utilisation of natural resources, and creates an environmentally educated society
7. Cleansing and Maintenance	<ul style="list-style-type: none"> ○ To ensure access to solid waste services ○ To effectively manage verges by cutting twice a month in summer months and once month in winter months. ○ To ensure solid waste management of all activities ○ To enforce by-laws to discourage illegal dumping, littering and pollution ○ To develop a municipal wide building maintenance plan in line with asset register ○ To vigorously clean streets at all times ○ To participate in cleanest town competition ○ To encourage recycling and reuse of resources ○ To ensure that all public amenities are kept in a clean condition at all times ○ To effectively manage staff ○ To comply with all requirements of Occupational Health & Safety relating to staff ○ To implement Batho Pele principles ○ To maintain council buildings ○ To fully implement Integrated Waste Management Plan (IWMP) ○ To beautify HCM and ensure its attractiveness at all times ○ Cemeteries to be maintained to a high standard of cleanliness ○ To ensure burial facilities are available seven days

	<p>per week</p> <ul style="list-style-type: none"> ○ To ensure tidal pools are maintained and serviced monthly during the summer season
8. Heath and Community Services	<ul style="list-style-type: none"> ○ To maintain all beaches, launch areas and tourism infrastructure ○ To ensure that all HCM beaches gain and maintain the blue flag status ○ Retain nurses whilst negotiating to hand over clinics to the province ○ To strengthen tourism by marketing Blue Flag Beaches and Ramsgate Whale Watching view. ○ To provide primary health care Services ○ To promote healthy communities ○ To establish ward based arts and culture sub forums ○ To promote the health of communities and visitors ○ To hold meetings with Ugu DM to discuss water quality ○ To facilitate HIV/AIDS infection reduction to create community awareness by programmes (Home Base Care) ○ To provide appropriate facilities and programmes for care givers ○ To empower youth through arts and culture programmes ○ To retain the current blue flag beaches ○ To provide cemetery space and additional four cemetery sites ○ To ensure that our clinics provide better services and improve staff morale through training of staff ○ To ensure all rural halls identified by DHCS are officially handed over to the municipality. ○ To introduce municipal tariffs and controlled and monitored through Ward Committees and report at Central Office, Portshepstone.
9. Protection services	<ul style="list-style-type: none"> ○ To implement Batho Pele principles ○ To oversee enforcement of municipal by-laws and

	<p>fining of perpetrators</p> <ul style="list-style-type: none"> ○ To minimize vulnerability to disaster risks and comply with the Disaster Management Act ○ To effectively manage traffic and enforce road traffic laws ○ To ensure that learners licenses booking are processed within two months and drivers licence are processed within three months (Code LMV and HMY) ○ To reduce crime levels by visible policing ○ To ensure compliance with CAA requirements at the Margate airport. ○ To ensure employees are capacitated within occupational positions ○ To ensure that respective sectional heads manage staff
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Issues of concern raised by the MEC on 2009/2010 IDP Review

The KwaZulu Natal MEC of Local Government and Traditional Affairs congratulated the municipality on developing the IDP Review and adhering to all legislative frameworks as enshrined in Chapter 5 of the Municipal Systems Act No. 32 of 2000. He advised the municipality to deal with the following critical areas in developing the 2009/2010 IDP:

1. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- Powers and functions and their alignment with objectives and strategies of the IDP Review are very well set out. Strategies for potential shortcomings in capacity and capability on the IDP need to be developed and implemented.
- Develop and implement the Human Resource Strategy.
- Development and implementation of the retention strategy including career pathing

2. LOCAL ECONOMIC DEVELOPMENT

- Economic development initiatives should be aligned to the Ugu District Municipality's Economic development plan.
- Sector plans and implementation status should be addressed in the 2009/2010 IDP Review.
- Improve on alignment of IDP Review's economic development strategies, programmes and projects with implementation plan and MTEF.

3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

- Align the IDP's development priorities, objectives and strategies with the three year capital plan.

- The housing sector plan and the integrated waste management plan should have clear implementation plans and be reflected in the 2009/2010 IDP Review.
- Developing a roads infrastructural action plan to guide road development and maintenance

4. FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

- Provide a more detailed financial plan by providing revenue raising strategies, financial management strategies, debt management and recovery strategies and capital financing strategies
- Emphasis on the alignment of capital budget with strategic content of the IDP
- Include the draft SDBIP in the IDP Review

5. GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

- Include the Annual Report in the IDP Review
- The municipality has to establish a functional internal audit committee.

6. SPATIAL DEVELOPMENT FRAMEWORK

- Indicate planned capital investment / expenditure in the SDF and budget to assist the provincial government to gauge planned expenditure in identified provincial priority corridors.
- Provide more detail on the municipality's LUMS
- Finalise and implement an environmental management plan (EMP) that is aligned to the SDF.
- The importance of waste management, recycling and waste reduction as well as alien plant removal and land rehabilitation should be addressed.
- Make use of the Department of Agriculture and Environmental Affairs Environmental Sustainability Toolkit to ensure that environment related delays on municipal projects are avoided and sustainable development is promoted

HCM Key Focus Areas

1. Infrastructure development and maintenance.
2. Spatial Planning at ward level.
3. Financial viability and value for money
4. Review of objectives and strategies.
5. Economic growth and transformation.
6. Job creation & SMME development.
7. Safe and healthy environment.
8. Knowledgeable communities.
9. Good governance.
10. Promoting sports and recreation and cultural diversity.

LEADERSHIP

POLITICAL LEADERSHIP

The Honourable Mayor, Councillor NF Shusha heads the political leadership of the Municipality. There are 58 councillors constituting the Municipal Council for Hibiscus Coast Municipality and they are all committed to serving the entire municipality and provide the political leadership required for the running of the municipality. Council is the supreme body that makes final decisions regarding the municipal budget, the imposition of rates, taxes and levies, approval of the IDP and promulgation of bylaws. As a matter of course, Council meetings are held on the last Tuesday of every month.

COUNCILLORS ATTENDANCE: COUNCIL MEETINGS

NAME OF COUNCILLOR	2009	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	2010
DATE	28-Jul	25 Aug. 29 Sept.	29-Sep	27-Oct	24 Nov.	08-Dec	28-Jan	23-Feb	30-Mar	28-Apr	25-May	30-Jun
DH Njoko												
CIMELA NE												
CONCO DA												
DE WET JF												
DLADLA ZK												
DUMA VPL												
GAMBLE A												
HLOPHE EJ												
JANSE VAN VUUREN JP												
KRIEK M												
MADLALA NA												
MOHAMED S												
MADLALA NE												
MAPHUMULO ZG												
MAREZIA DC												
MAVUNDLA IM												
MC DONALD CP												
MDABE WB												
MKHIZE BA												
MNGANGA AM												

MQWEBU NCP												
MZELEMU AM												
NAIR Y												
SHUSH PS												
NKABANE MR						Deceased						
NKONYENI FR												
NXUMALO SM												
NYEMBEZI RS												
REDDY R												
WW MKHIZE												
SHUSHA NF												
SHUSHA DJ												
SITHOLE AS												
TSHAZI M												
TSHOMELA GN												
ZULU SM												
BEZUIDENHOUT EJ						Replaced						
GRIFFITHS AV												
HAFFENDEN GS												
HENDERSON GD												
MBOMBO AS												
RAWLINS D												
SNASHALL D												
LUSHABA GD												
MBHELE SP												
MHLONGO NA												
MHLONGO ZA												
NARSIMULU JL												
NDWALANE WS												
NGWANE JS												
PIPER RG												
BE MACHI												
NANKOOMAR R												
VENTER CPM												
MYINGWA IN												
PJ RADEMEYER												
M Lubanyana												
ME Mkhize												
Watson DI												
Kruger TAP												

PRESENT
LEAVE OF ABSENCE
APOLOGIES
ABSENT

THE EXECUTIVE COMMITTEE

This body constitute of ten members plus two *ex officio* members, the Speaker and the Chief Whip. The committee meetings were held fortnightly on Tuesdays. The Executive Committee has delegated powers in terms of Section 160(2) of the Constitution of the Republic of South Africa.

ATTENDANCE OF EXCO COUNCILORS: EXCO MEETINGS

NAME OF COUNCILLOR	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2010	2010	2010	2010	2010	2010	2010	2010	2010
	Recess																			
	07-Jul	21-Jul	04-Aug	18-Aug	21-Aug	8-Sept.	22-Sept.	6-Oct.	20-Oct	03-Nov	17-Nov	02-Feb	16-Feb	23-Feb	02-Mar	16-Mar	13-Apr	04-May	18-May	08-Jun
SHUSHA NF																				
RAWLINS D																				
NJOKO DH																				
RADEMEYER PJ																				
PIPER RG																				
MADLALA N																				
ZG MAPHUMULO (CHIEF WHIP)																				
J DE WET																				
WW MKHIZE																				
JS NGWANE																				
Y NAIR (SPEAKER)																				
M LUBANYANA																				

LEGEND:

PRESENT

ABSENT

LEAVE OF ABSENCE

APOLOGIES

COUNCILLORS ATTENDANCE: COMMUNITY PORTFOLIO

NAME OF COUNCILLOR	29 July 2009	26 August 2009	01 October 2009	19 November 2009	24 February 2010	25 March 2010	28 April 2010	01 June 2010
Clr NA Madlala								

Clr A Gamble								
Clr IM Mavundla								
Clr SP Shusha								
Clr C Mc Donald								
Clr L Duma								Deceased
Clr N Shusha								
Clr K Dladla								
Clr JL Narsimulu								
Clr NA Mhlongo								
Clr A Mbombo								

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

ATTENDANCE OF COUNCILORS: FINANCE AND BUDGET PORTFOLIO COMMITTEE

NAME OF COUNCILLOR		
	JAN	10-Feb
BW NDLOVU (CHAIR)		
JP JANSE VAN VUUREN		
G TSHOMELA		
TG CELE		
Y NAIR		
S NXUMALO	S	
D CONCO	S	
RG PIPER	E	
JS NGWANE	C	
D SNASHALL	E	
R NANKOOMAR	R	

The composition of the Portfolio changed once Clr TG Cele resigned and Clr BW Ndlovu passed away

NAME OF COUNCILLOR														
	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV		Feb-10	01-Mar	APRIL	MAY
NF SHUSHA										NF SHUSHA				
JP JANSE VAN VUUREN										JP JANSE VAN VUUREN				
G TSHOMELA										G TSHOMELA				
Y NAIR										Y NAIR				
S NXUMALO										S NXUMALO				
D CONCO					S					D CONCO				
RG PIPER					S					RG PIPER				
JS NGWANE					E					JS NGWANE				

D SNASHALL					C					D SNASHALL				
R NANKOOMAR					E				O	R NANKOOMAR				
WW MKHIZE (CHAIR)	Councillor replaces Clr BW Ndlovu				R				Z	WW MKHIZE (CHAIR)				
BW NDLOVU			Councillor passed away											

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
Apologies

COUNCILLORS ATTENDANCE: CORPORATE SERVICES PORTFOLIO

NAME OF COUNCILLOR	Jul	05-Aug	02-Sep	07-Oct	04-Nov	Dec	03-Feb	03-Mar	April	17-May	02-Jun
ALD JF DE WET	S					S			S		
M TSHAZI											
SM MAHOMED	S					S			S		
WB MDABE								Sick Leave		Sick Leave	Sick Leave
AM MNGANGA	E					E			E		
AV GRIFFITHS											
IN MYINGWA	C					C			C		
ZG MAPHUMULO											
ZA MHLONGO	E					E			E		
MT LUBANYANA											
JS NGWANE	R					R			R		

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: LABOUR FORUM COMMITTEE

NAME OF COUNCILLOR	Jul	07-Aug	27-Aug	04-Sep	02-Oct	13-Nov	Dec	05-Feb	05-Mar	16-Apr	11-May	04-Jun	10-Jun
ALD JF DE WET	S						S						
M TSHAZI				G				G		G			
SM MAHOMED	S			N			S	N	M	N		M	
WB MDABE				I				I	U	I	Sick Leave	U	Sick Leave
AM MNGANGA	E			T			E	T	R	T		R	
AV GRIFFITHS				E				E	O	E		O	
IN MYINGWA	C			E			C	E	U	E		U	
ZG MAPHUMULO				M				M	Q	M		Q	
ZA MHLONGO	E						E						

JS NGWANE				O				O	O	O		O	
MT LUBANYANA	R			Z			R	Z	Z	Z		Z	

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: ECONOMIC DEVELOPMENT AND TOURISM PORTFOLIO COMMITTEE

NAME OF COUNCILLOR	2009/02/19	21/05/2009	20-Aug	17-Sep	22-Oct	12-Nov	NAME OF COUNCILLOR	2010/02/04	03-Apr-10	04-Mar	18-May	Jun
Clr NA Madlala												No Mtg
Clr K Dladla						No Quorum	Clr K Dladla					
Clr M Kriek						No Quorum						
Clr J.P. van Vuuren							Clr J.P. van Vuuren					
Clr R Nyembezi							Clr R Nyembezi					
Clr B Mkhize							Clr B Mkhize					
Clr M Lubanyana							Clr M Lubanyana					
Clr JL Narsimulu							Clr JL Narsimulu					
Clr JS Ngwane							Clr DI Watson					
Clr Rawlins							Clr NA Madlala					
Clr P.S. Shusha							Clr P.S. Shusha					
Clr BE Machi							Clr BE Machi					
							Clr A Mnganga					

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: HUMAN SETTLEMENTS AND INFRASTRUCTURE PORTFOLIO COMMITTEE

NAME OF COUNCILLOR	21-Jul	19-Aug	16-Sep	14-Oct	11-Nov	Dec	NAME OF COUNCILLOR	19-Feb	17-Mar	14-Apr	06-May	19-May	June

PJ RADEMEYER						S	PJ RADEMEYER							S
R REDDY							R REDDY							
AS SITHOLE						S	AS SITHOLE							S
DC MAREZIA							DC MAREZIA							
FT NKONYENI						E	FT NKONYENI							E
NE CIMELA							NE CIMELA							
AM MZELEMU						C	AM MZELEMU							C
ZA MHLONGO							ZA MHLONGO							
SP MBHELE						E	SP MBHELE							E
EJ BEZUIDENHOUT						Resigned								
CPM VENTER						R	CPM VENTER							R
							GS HAFENDEN							
							TAP KRUGER							

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE : PLANNING AND BUILDING CONTROL PORTFOLIO COMMITTEE

NAME OF COUNCILLOR	Jan	12-Feb
RADEMEYER PJ (chair)		
E HLOHPE		
NE MADLALA		
NF SHUSHA		
JP JANSE VAN VUUREN		
PR SHEME	S	
M TSHAZI	S	
SW NDWALANE	E	
GD LUSHABA	C	
G HENDERSON	E	
I MYINGWA	R	

The composition of the Portfolio changed once Clr R SHEME resigned

NAME OF COUNCILLOR	2009	2009	2009	2009	2009	NAME OF COUNCILLOR	2010	2010	2010
	July	Aug	Sept	Oct	Nov		Feb	March	May
DH NJOKO (chair)						DH NJOKO (chair)			
E HLOHPE						E HLOHPE			
NE MADLALA						NE MADLALA			

C McDONALD						C McDONALD				
DC MAREZIA						DC MAREZIA				
M KRIEK	S					M KRIEK				
M TSHAZI	S					M TSHAZI				
SW NDWALANE	E					SW NDWALANE				
GD LUSHABA	C					GD LUSHABA				
G HENDERSON	E					G HENDERSON				
I MYINGWA	R					I MYINGWA				
						RG PIPER				

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
Apologies

COUNCILLORS ATTENDANCE: SECURITY AND SAFETY PORTFOLIO COMMITTEE

NAME OF COUNCILLOR	25-Aug	09-Sep	21-Oct	18-Nov-09	NAME OF COUNCILLOR	10-Feb	10-Mar	12-May	09-Jun
Clr BE Machi					Clr BE Machi				No mtng
Clr M Lubanyana					Clr M Lubanyana				
Clr D Shusha					Clr D Shusha				
Clr S Zulu					Clr S Zulu				
Clr D Conco					Clr D Conco				
Clr L Duma					Clr L Duma			deceased	
Clr NCP Mqwebu					Clr NCP Mqwebu				
Clr ZG Maphumulo					Clr ZG Maphumulo				
Clr R Piper					Clr R Piper				
Clr Haffenden					Clr D Rawlins				
Clr CPM Venter					Clr CPM Venter				
					Clr ME Mkhize				

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: BEACH EVENTS COMMITTEE

NAME OF COUNCILLOR	Date	Date	Date	NAME OF COUNCILLOR	Date
	30-Mar	22-Jun	18-Sep		05-Mar
Clr NA Madlala				Clr NA Madlala	
Ald J De Wet				Ald J De Wet	
Clr M Kriek				Clr M Kriek	
Clr A Gamble				Clr A Gamble	
Clr GD Henderson				Clr GD Henderson	
Clr EJ Hlophe				Clr EJ Hlophe	
Clr GS Haffenden				Clr GS Haffenden	

Clr CP McDonald				Clr CP McDonald	
Clr D Snashall				Clr D Snashall	
Clr R Reddy				Clr R Reddy	

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: AIDS EXCO

NAME OF COUNCILLOR	09 March 2010
Clr NA Madlala	
Clr A Gamble	
Clr L Duma	
Clr C MacDonald	
Clr N Mhlongo	
Clr J Ngwane	

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: YOUTH DEVELOPMENT COMMITTEE

NAME OF COUNCILLOR	31-Mar	12-Oct	26-Nov	15-Feb	25-May
Clr M Mzelemu					No mtng
Clr ZK Dladla					
Clr RS Nyembezi					
Clr WW Mkhize					
Clr F Zulu					
Clr Cimela					
Clr A Sithole					
Clr JS Ngwane					
Clr Ndwalane					
Clr A Mbombo					
Clr IN Myingwa					
Clr CPM Venter					

LEGEND:

PRESENT

ABSENT
LEAVE OF ABSENCE
APOLOGIES

COUNCILLORS ATTENDANCE: OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

NAME OF MEMBER FINANCIAL YEAR	Jul 2009	Aug 2009	Sept 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	14-Apr 2010	12-May 2010	09-Jun 2010
ME CELE (OHS Officer)							No meetings held			No Quorum	No Quorum	
M MZELEMU (CHAIR)												
S MATHAKUTHA												
ZP HLOPHE												
R CELE												
ME NTOZAKHE												
D NXASANE												
C HLOPHE												
N TSHAINCA												
K SMART												
E CELE												
S NGWAZI												
X GCABA												
C HUEY												
N NKOMO												
P KHAMBULE												
N CELE												
S LANKA												
JM NDYEBO												
X NHLANGULELA												
T MBOYISA												
J MSOMI												
N SENGANE												
M SHUSHA												
B MADLALA												
T NGUBO												
S NYAWOSE												
M CELE												
S JALUBANE												

J MTHETHWA												
BL MQADI												

COUNCILLORS ATTENDANCE: GENDER COMMITTEE

NAME OF COUNCILLOR	Jul-Dec 2009	Jan-Jun 2010
Clr AM Mzelemu	No mtng	No mtng
Clr A Mnganga		
Clr FT Nkonyeni		
Clr DC Maresia		
Clr R Sheme		
Clr D Conco		
Clr WB Mdabe		
Clr EJ Hlophe		
Clr GD Lushaba		
Clr G Henderson		
Clr IN Myingwa		
Clr R Nankoomar		
Clr CPM Venter		
CLR BE Machi		

LEGEND:

PRESENT

ABSENT

LEAVE OF ABSENCE

APOLOGIES

COUNCILLORS ATTENDANCE: PEOPLE LIVING WITH DISABILITIES COMMITTEE

NAME OF COUNCILLOR	13/11/09	03-Feb
Clr M Tshazi	No mtng	No mtng
Clr NF Shusha		
Clr SM Zulu		
Clr FT Nkonyeni		
Clr ZG Maphumulo		

Clr SA Sithole		
Clr A Gamble		
Clr NA Mhlongo		
Clr SW Ndwane		
Clr D Rawlins		
Clr IN Myingwa		
Clr R Nankoomar		
Clr CPM Venter		

LEGEND:

PRESENT
ABSENT
LEAVE OF ABSENCE
APOLOGIES

ADMINISTRATION

The administration was headed, by Mr. SW Mkhize in his capacity as the Municipal Manager. The table below gives a summary of the nine directorates, their responsible director and the allocated executive councillor. During the year under review the Director Operations post became vacant in September 2009 and the CFO's post Became vacant in May 2010. Therefore eight out of ten Section 57 Managers filled posts at the end of the financial year.

HCM's Departments

DIRECTORATE	DIRECTOR RESPONSIBLE	EXECUTIVE COUNCILLOR	OFFICE
Operations (in office of the Municipal Manager)	Mr K Zulu Vacant: 09-2009	Madam Mayor	Port Shepstone
Corporate Services	Mr. Pardon Mathebula	Deputy Mayor: Cllr De Wet.	Port Shepstone
Treasury	Ms Lerato Thwane Vacant: 05-2009	Cllr WW Mkhize	Margate
Cleansing and Maintenance	Mr. Peppy Govender	Cllr N Madlala	Marburg
Human Settlements and Infrastructure	Mr. Simphiwe Nikelo	Cllr P Rademeyer	Marburg
Health and Community Services	Mrs. Sheryl Cwele	Cllr N Madlala	Uvongo
Economic Development	Mrs. Phumelele Sabela	Cllr M Lubanyana	Port Shepstone
Protection Services	Mr. Victor Chetty	Cllr Piper	Port Shepstone
Planning & Building Control	Mr. Mandla Mabece	Cllr D Njoko	Uvongo

The table above reflects HCM directorates and their responsible directors and portfolio Committee Chairpersons in line with the prescribed powers and functions

CHAPTER 2

This chapter outlines the departmental performance highlights and challenges for the year under review.

1. Office of the Municipal Manager

Highlights

- Credible IDP
- Annual Report approved by 31 March 2010
- Approved SDBIP within 28 days after the budget approval
- Development and approval of the Municipal Turnaround Strategy within limited COGTA timeframes
- Successful Mayoral Izimbizo and budget road shows
- WIFI project
- Successfully hosted local games to create hype around the 2010 world cup event
- Improvement on the functionality of ward committees
- Improved relations between HCM and the district municipality
- Increased accountability

Challenges

- Insufficient budget to cater for all KPAs
- Resignations of Internal Audit managers affected the oversight role of the internal audit unit.
- Resignation of Director Operations put strain on managers
- AmaKhosi involvement and participation in planning matters
- Rapid response to issues coming from ward committees
- Securing adequate resources for Izimbizo and other council events
- Participation of provincial departments and business sector in municipal planning
- OPMS not in place
- Implementation of customer care
- IDP office under resourced
- Unplanned events which affected communications unit

Strategies Developed

- Enhanced internal and external engagements

- Proactive planning
- Team work and support
- Functions vote for too many municipal events, itemized votes dedicated for specific items be created.

2. Planning and Building Control Department

Performance highlights

1. Eradicating the backlog of building plans and positive feedback from clients
2. Statutory or town planning applications such as rezoning, special consent, subdivision finalized within 4 months of receipt
3. Urban Land Use Management Systems (LUMS) almost finalised
4. Excellent Corporate Image;
5. Rural Node Planning Framework almost to completion;
6. Recorded progress in securing convictions for contravention cases referred to the High Court

Challenges

Insufficient office space for staff and the filing system

Increased number of court cases that had to be addressed at court, resulting in huge expenditure on legal fees

Shortage of staff as a result of resignations

Revenue generated

Project / Programme	Number of applications received	Number of applications approved	Value
Building Plans	681	538	R 2 357 032. 59
Completed Buildings	327	327	R25,723,721.00
Contravention Notices	402	Nil	Nil
Special Consent	31	24	R111,845.00
Written Consent	23	22	R20,140.00
Relaxations	162	150	R139,772.00
Subdivisions	19	19	R45,553.00

Restrictive Conditions	5	5	R7,500.00
Rezoning	24	20	R204,408.00
Zoning Certificates	130	130	R10,480.00
Section 11(2)	4	4	Nil
DFA	12	6	Nil
Signage Applications	49	42	R68, 327.29

3. Protection Services Department

Highlights

- Quick response in dealing with emergency incidents
- CCTV camera installation at Margate
- ENatis electronic booking system was introduced by Province
- Additional computers for motor license section by Province
- Scanning units for the driving licence section
- Recruitment of 14 contract fire fighters
- Successful 2010 FIFA operations
- Successful monitoring of safety at major events e.g. Africa Bike Week, Ugu District Winter Games and the Margate Centenary

Challenges

The serious challenge was the shortage of staff and indirectly it had an effect on the operations. Strategy to address challenge-Staff were transferred from Traffic to Motor Licence Division. The building at the driving licensing section is structurally inadequate to accommodate large volumes of clients. Strategy to address challenge-Obtained plan drawing for extension of offices The demand for driving /learner licence tests was a huge challenge as vacant examiner posts were not filled. Three level posts were non-existent in this section and this had a negative effect on the National Road Traffic Act 93/1996.

Achievements

- The building of a new learner licence classroom.
- Internal transfer of three incumbents from Traffic Administrative Section.
- Training of staff for examiner and customer care courses

- The training of staff for the e-NaTIS electronic system.
- Additional computers for Motor Licensing Section.
- Live Scan Units for the Driving Licence Section.

Challenges

- Provision of a 24-hour fire and rescue service. Requested for additional manpower and vehicle resources from Municipal Manager.
 - Decentralisation of services Strategy to address challenge- Requested for more manpower and vehicle resources
- Loaned heavy duty fire engine Strategy to address challenge- Requested heavy duty fire engine in forthcoming budget

Achievements

- The recruitment of 14 contract fire fighters
- Successful safety at events
- Successful 2010 FIFA Operations

Challenges

- Shortage of staff and vehicles. Four new bakkies were assigned to division.
- Huge task of monitoring crime on the 32 beaches within Hibiscus Coast Municipality and enlisting of seasonal reservists to patrol beaches assists in great deal.

Achievements

- Five members were trained for advance driving course.
- Firearm refresher training was done.
- ☑ Radio communication skills were acquired by staff.

Challenges

- Shortage of human resources
- Shortage of patrol vehicles

- Shortage of qualified Traffic Officers

4. Cleansing and Maintenance Department Maintenance Issues

- The Directorate has performed satisfactorily in the various sections of maintenance which includes verges, buildings, tidal pools and fleet maintenance.
- The level of services to the community was continued with the joint project between UGU District Municipality and The Hibiscus Coast Municipality for the period 1 July 2009 to 30 June 2010. The joint project created 142 jobs and is intended to capacitate the workers to form their own Co-Operatives and tender for various works in the area which will all include verge maintenance, property clearing and general cleansing.

Verge Maintenance

Depot 1

Verges in 7 areas that are maintained by the Depot 1 with one area being outsourced and Six done by internal teams and Siyanakekela Teams :-

No.	AREA	m ²	TEAMS
1.	R102 Sunwichport	112 000	Outsourced
2.	Hibberdene/Umzumbe	455259	Internal
3.	Pumula/Melville	272 005	Internal
4.	Sunwich Port / Southport	363 107	Internal
5.	Sea Park / Umtentweni North	235 136	Internal
6.	Umtentweni South	124 798	Internal
7.	One dedicated team cutting halls, crèches, and sportsfield	150 447	Internal

Depot 2

Depot 2 has 10 verge cutting areas both outsourced and internal teams inclusive of Siyanakekela Teams :-

No.	AREA	m ²	TEAMS
1.	Shelly Beach	430 000	Outsourced
2.	R102 to Marine Drive	177 000	Outsourced
3.	Marburg South	297 000	Internal
4.	Marburg North	185 000	Internal
5.	Albersville/Protea Park/White City	234 665	Internal
6.	Oslo Beach/Newtown	196 826	Internal
7.	Gamalakhe A	148 010	Internal
8.	Gamalakhe B	157 560	Internal
9.	Gamalakhe C	166 410	Internal
10.	Rural Team focusing on halls, crèches and sportsfield	191 8000	Internal

Depot 3

The depot has 16 areas of which 6 areas are done in-house as follows :-

No.	AREA	m ²	TEAMS
1.	Uvongo/St. Michaels	271 288	Internal
2.	Uvongo/Manaba	245 200	Internal
3.	Margate	223 136	Internal
4.	Ramsgate	169 950	Internal
5.	Margate Ext 3	217 000	Internal
6.	Ramsgate Ext 3	137 400	Internal

The following areas are out-sourced :-

1.	Southbroom	129 000	Outsourced
2.	Marina Beach	47 340	Outsourced
3.	Palm Beach	135 000	Outsourced
4.	Munster	96 000	Outsourced
5.	Leisure Bay	168 000	Outsourced
6.	Port Edward	216 000	Outsourced
7.	Banners Rest	78 000	Outsourced
8.	Trafalgar	72 540	Outsourced
9.	Marine Drive (St. Michaels to Ramsgate)	23 400	Outsourced

Challenges	Strategies
<i>Random costly breakdown of vehicles /compactors</i>	-Pre-maintenance Plan -Driver Training
<i>Budget – insufficient allocation of funds to certain votes</i>	<i>Identified funds and did virements</i>
<i>Extension of refuse removal to rural/tribal areas</i>	-Plan to use own compactor as Pilot Project in KwaNdwalane
<i>Replacements of six compactors which are over 10 years old.</i>	<i>Replaced 2 compactors</i>
<i>Illegal dumping and litter</i>	-Clean Up Campaigns -Ensured the enforcement of By Laws by -Directorate Protection Services - Put up signs -Involved community
<i>Inadequate funds for maintenance of building</i>	-Implementation of Incentive Bonus
<i>Productivity of Staff</i>	-Procuring of Protective Clothing -Improved Working Conditions
<i>Attend to Frail and Sickly Employees : large number of employees who are unable to put in a days work.</i>	<i>Referred to Human Resources to assist with Frail and Sick Staff with Medical Boarding.</i>
<i>Theft of Council Assets</i>	-Improve the security -Improve stock control- Appointed Depot Clerk -Service Level Agreement with Security Company -Insisting on the serial numbers to be put on the brushcutters

5. Treasury department

Departmental highlights

- Being issued with an unqualified audit report for the second time in as many years.

Departmental challenges

- Cashier office revamping-Improving on the security aspects of both officials and ratepayers as well as securing safer means when the cash is collected by the service provider.
- Capacitating the customer call and customer care staff in order that the centres can operate to the benefit of the customers and community.

6. Department of Economic Development

Performance highlights

(a) Poverty Alleviation

The Department, despite minimal budget did well in terms of reaching the less fortunate through the Siyazenzela programme as well as the One House One Garden Project. On the Siyazenzela programme, the number of beneficiaries doubled from the initial 200 all this done without additional budget. On the One House One Garden programme, a number of families were assisted with seeds, affording them an opportunity to plough and be food secured.

Through the poverty alleviation initiative, a number of community gardens benefited and received various forms of seedlings.

(b) Co-operatives and SMME's

Again, the department's mandate was to ensure development of functional and self sustainable SMME's and Co-operatives. Facilitatory initiatives proved very critical. A number of SMME's managed to get support and some of them are no self sustainable.

(c) Margate Airport Development

Key to the economy of the South Coast and Hibiscus Coast in particular was key steps taken towards the redevelopment of the Margate Airport. Funding for the first phase was received from the provincial Department of Co-operative Governance and Traditional Affairs. It is envisaged that, once fully redeveloped, the Margate Airport will be one key asset for the municipality, both in terms of tourism development and economic development in general.

Challenges

The main key challenge faced by the department was limited resources. Programmes such as Siyazenzela, together with one house One garden and other poverty initiatives proved very important, more so given the number of retrenchments due to economic down turn. Further funding could have gone a long way in terms of ensuring that at least people are food secured.

Strategies developed to resolve the challenges experienced

One key issue that has been impeding the direction that the department has been taking towards economic development has been the absence of a clear economic development strategy. The plan, although not completed, will prove very critical in terms of putting a clear direction in terms of economic development, incorporating our poverty alleviation initiatives.

7. Health and Community Services Department

Performance highlights

- Five Blue Flag Status and leaders in KZN

- Establishment of the Whale View Site in Ramsgate at no cost to council (sponsors)
- Formation of three Clinic Committees
- Establishment of HCM Local Aids Council
- R6 million -Sponsorship obtained for building the first rural KwaNdwaland Library
- Establishment and success of Wheelie Wagons (mobile library)
- Sponsorship obtained for Free Internet Computer access for Margate & Gamalakhe Library
- Twinning with Sweden and establishment of Ground Breakers for HCM
- Sponsorship obtained for staff training almost in all sections of the department e.g. PHC, groundbreakers, TOP counselling services,
- Sponsorship from Broad Reach for construction of Southport Park home
- Establishment and huge success of Indigent Burial Support
- Identification of 4 additional HCM Burial Sites, about 2000 additional sites expansion of Nositha, Albertville and Oslo Beach
- 24 hour Extension of hours at Marburg Clinic
- Gamalakhe Arts and Heritage Centre.
- HCM Wellness Centre

Challenges

- Shortage of qualified nursing staff as a result of salary disparity and resignations.
- Shortage of space at clinics for additional programs added to Local Municipalities.
- Lack of conservation space at Portshepstone Museum
- Shortage of Burial Sites
- High demand of Wheelie Wagons and shortage of volunteers
- Frequent drop of members for Local Aids Council because of transport problems and poverty
- High demand of food supplements for HIVAIDS sufferers.
- Insufficient space for study purposes at our Libraries
- Insufficient staff to implement controls at rural halls.
- No asset register for newly built halls

Strategies develop to resolve the challenges experienced

- a. Application for additional nurses posts
- b. Request Council to equalize nurses' salaries to be in line with that of Province.
- c. To seek sponsorship for building of rural halls
- d. To seek sponsorship to extend space at libraries.
- e. To request council for increase in the HIVAIDS food supplements.
- f. Identification of all newly built libraries and enter into the asset register
- g. To budget for personnel to control rural libraries and introduction of regular tariff of charges.
- h. To introduce stipends for members of the Local Aids Council (LAC)
- i. To request for more wheelie wagons sponsorship from KZN Library services.
- j. To liaise with province for the relocation of Portshepstone Museum

8. Corporate Service Department

PERFORMANCE HIGHLIGHTS

- Functional Local Labour Forum
- Relatively sound labour relations

- Filled 133 vacant posts
- Received an amount of R166,995 from LGSETA as grant complying with necessary requirements.
- Obtaining 83.3% pass rate for ABET learners examination results
- Maintaining high level of IT support to all departments
- Adoption of policy on the management of Council owned immovable properties
- Establishment of Employee Assistance Programme

CHALLENGES

- Lack of cooperation with external government departments for improved service delivery
- Backlog in the Estates Administrations section
- Shortage of staff in the Estates Administration section
- High absenteeism due to ill health within the department
- Poor implementation of the Employee Assistance Programme in the Wellness Centre
- Lack of equity in the first three highest levels of employment: section 57 employees.

MUNICIPAL DEPARTMENTAL REPORTS

Office of the Municipal Manager

Structure

The directorate comprised of four managers led by Director, Mr Khetha Zulu (Director Operations) who reported to the Municipal Manager. The Director Operations resigned in September 2009 and the Director Operation's post was vacant till the end of the financial year. Internal Audit Manager post was vacant. The department comprised of 23 staff members and four in-service trainee students. Special programmes and Occupational Health & Safety were

driven by officials at an officer level. Two caucus secretaries for the various political parties were under this department.

During the course of the year under review, some of the Corporate Services units were transferred to the Office of the Municipal Manager. These units included the Legal Services unit (the Manager and his Administration Assistant) and Municipal Administration unit (Municipal Administration Manager and four Committee Clerks). Six managers managed the following departmental units:

Unit	Manager
1. Governance & Communication	Mr. XD Dlangalala
2. Public participation	Mr. S Langeni
3. Youth Development	Mr. P Mzobe
4. Integrated Development Plan	Ms Z Ngubane
5. Performance Management System	Ms Z Ngubane
6. Municipal Administration Unit	Ms M Van der Merwe
7. Legal Services Unit	Mr. E Ndlangisa

Office of the Municipal Manager's Functional Areas

- i. Communications and good governance
- ii. Integrated Development Plan (IDP)
- iii. Performance Management System
- iv. Public Participation
- v. Internal Audit
- vi. Special Programmes
- vii. Occupational Health and Safety
- viii. Youth development
- ix. Municipal Administration
- x. Public relations
- xi. Branding and corporate image
- xii. Stakeholder liaison

Departmental Operational Areas

1. Communication and good governance

Communication and good governance focused on effective communication between the municipality and outside stakeholders, in particular the media. The unit focused on ensuring good and sound communication internally, as well as planning and executing council events. The unit was also responsible for the management of the municipal website and the compilation and distribution of internal and external newsletter. The unit was involved in commemorating national calendar days and

municipal events.



HCM delegates visit to Alfred Nzo district municipality to enhance corporative governance

2. IDP development

The IDP review was developed and managed internally. Three IDP Representative Forum meetings were held. The IDP was informed by the Local Government legislation e.g. Municipal Systems Act No. 32 of 2000, Municipal Finance Management Act No. 56 of 2003. A management IDP strategic workshop was held, which focused on ensuring programmes and project alignment to the municipal vision and developing crisp strategies to address current challenges facing the municipality. The 2009/2010 IDP Review credibility score was 72%, which is above the KZN Department of Local Government and Traditional Affairs score of 60%.

3. Performance Management System

The municipality subscribed to the relevant legislation to ensure that performance management is conducted. The municipality conducted its business in a cost effective, efficient and economic manner. The Mayor tabled the Service Delivery and Budget Implementation Plan (SDBIP) within the prescribed legislative timeframe. The SDBIP was adopted by Council within the prescribed legislative timeframe. Performance was evaluated by the Executive Committee on quarterly bases as prescribed by legislation. Four performance evaluation sessions were held as planned to evaluate performance management.

4. Public participation

Public participation was done through the IDP / Budget Mayoral Izimbizo. There are 29 wards within the municipality and these wards are grouped into seven clusters. Thirteen Izimbizo were held in May 2009 and November/December 2009, therefore each cluster had two izimbizo for urban and rural areas. The attendance at the Izimbizo dramatically improved, especially in urban areas. Members of communities were grateful that the municipality created such platforms to engage

with them. However, there was a challenge with financial resources and getting the required level of service from certain service providers. R300 000 was allocated for the IDP/Budget Roadshows.

5. Internal Audit

The Audit Committee was formed in terms of the MFMA and the HCM Charter. The Audit Committee consisted of five members, three of whom were external, independent members. The Audit Committee met four times during the year under review as per approved Audit Charter.

The internal audit unit conducted a risk assessment audit for the municipality. The risk assessment audit included compiling a risk profile and annual audit plan which aimed at risk-mitigating measures for risks identified. The unit also executed the annual audit plan which was meant to audit high risk areas as determined by the annual audit plan, to facilitate the creation of plans by management to address identified risks and report to the Audit Committee. The Audit Committee met two times.

6. Special programmes

The special programmes unit ensures that the needs of women, children, disabled and Senior Citizens. Are catered for and that the members of the community are recognised by the municipality as valuable part of the municipality. Gender issues and HIV and Aids were mainstreamed within the municipality. The municipality worked very closely with provincial government, Ugu District Municipality and international organisations to address gender, HIV / Aids, senior citizens and disability issues. More creative and effective programmes and projects were implemented; however, limited financial resources posed a great challenge in ensuring full implementation of these programmes and projects.



Deputy Mayor and Finance and Budget Portfolio Chairperson during the Grants in Aid ceremony

7. Occupational Health & Safety

Workshops on legislative awareness for management were conducted, which focused on awareness about legislative requirements on occupational health and safety. Awareness charts on occupational health and safety were posted in all municipal workstations to make employees aware of dangerous

and hazardous areas within the workplace.

Office inspections were done to monitor the level of compliance with the occupational health and safety systems. First Aid kits were distributed to all departments to ensure availability of first aid equipment for the treatment of injured employees at work. Quarterly reports were submitted to the Occupational Health and Safety Committee. Hazards Identification and Risks Assessment (HIRA) was not conducted due to institutional challenges that were experienced at the time.

8. Youth Development

The youth section focused on capacitating and empowering the youth of Hibiscus Coast Municipality. Career exhibition was held and the youth was encouraged to visit the youth office to get information and bursary assistance to further their studies. Young people and councillors were encouraged to participate in local games and provincial (KWANOLOGA) games.



2010 soccer world cup posts

Cost to employer

Employee	Cost to Council (R)
Municipal Manager	892 036
Director Operations	147 537
Senior Manager	497 700
Managers	2 619 936
Other employees	9 700 000
Total	13 857 209

Employees and resources

Unit	No. of posts filled	No. of vacancies	Fleet
Communication & good governance	5	0	0
IDP/PMS	1	1PMS manager and 1	0

		office administrator	
Internal Audit	4	1 manager	0
Special programmes	1	0	0
Occupational health & Safety	1	0	0
Youth development	1	2	0
Office of the Speaker	2	0	1 bakkie
Party caucus secretaries	2	0	0
PA's (Speaker, Mayor, MM & DO)	3	1	0
Committee Clerk	4	0	0
Legal Services	2	0	0
Municipal administration	3	0	0
Total	29	6	1



Leadership welcoming the Algerian team

Key issues

The Office of the Municipal Manager functioned without a director and that put tremendous strain on managers. The department achieved the targets that were set in the SDBIP and developed the Municipal Turnaround Strategy. Key municipal documents outlined in the Municipal Systems Act were developed and approved by Council within the

legislative timeframes. All planned municipal events were carried out successfully. All legislative mandatory reports were prepared and approved on time.



Council meeting is progress

Ugu District Municipality

Catch the FIFA World Cup action on the local PVAs

Be part of the World Cup Fevah, Watch 8 games live on big screen at:

Venue: TB Molefe Gamalakhe

Time: 10am

There will be loads of entertainment by local DJs and artists as well as nationally recognised musos.

No Weapons!!

• NO CANS, GLASS

• LIQUOR SOLD AT THE STADIUM

Opening Match Bafana Bafana vs Mexico

11 June 2010

2. PLANNING & BUILDING CONTROL DEPARTMENT

Introduction

Directorate Planning & Building Control comprises of three sections, namely Town Planning, Building Control and Environmental Management & Signage Control led by Director, Mr. MN Mabece.

Structure of the department

The department consists of a staff complement of 29 employees namely;

- Director Planning & Building Control; Mr MN Mabece
- Three managers (Senior Manager Building Control, Town Planning Manager and Environmental Planning Manager)
- One Personal Assistant
- Two Building Control Officers
- Seven Building Inspectors
- Three Senior Town Planners
- Two Town Planning Technicians
- One Law enforcement Officer
- One Plans examiner
- One receptionist
- One Registry Clerk
- One Environmental Officer
- Two General Workers
- Three Administrative Assistants

Cost to the Employer

EMPLOYEE	TOTAL COST TO EMPLOYER(R)
Director	R671, 971.00
Managers	R1, 302, 403.50
Other employees	

Revenue generated during the 2009/2010 financial period

APPLICATION	REVENUE (R)
Building Plans	R 2 357 032. 59
Town Planning Applications	R539,698.00
Signage Applications	R68,327.29

Sections within the Planning & Building Control Department

The Building Control section has managed to make great strides in improving the turn around times in processing building plans in compliance with the National Building Regulations and Standards Act.

The core functions

- Processing building plans
- Conducting site inspections
 - attending to complaints
 - Inspections of illegal buildings
 - Compulsory site inspection during and after commencement of buildings
- Issuing occupation certificates
- Processing verge deposits
- Attending to customer queries / complaints

Town Planning

Strategic core functions

- To provide strategic guidance for land development in the Municipality
- To provide clear guidelines for spatial interventions in the Municipality
- To fast track municipal strategic priority projects from a development planning perspective
- To formulate and review annually, a Spatial Development Framework, which indicates the spatial vision of the municipality and strategic areas of interventions, as an input into the Municipal Integrated Development Plan

Operational core functions

- To facilitate planning and development applications in Accordance with the Planning and Development Act
- and the Town Planning Ordinance, which includes, inter-alia:
 - Assessing development applications from a town planning perspective
 - Ensuring that correct application processes are followed
 - Ensuring that the public participation process is open and just
 - Advising Council Committee on planning correctly and justly, based on sound development planning principles.
 - Development applications include: **Scheme Amendments(rezoning), Special Consent Applications, Development of land outside the area of a scheme, Removal of restrictive title conditions, subdivisions**
- In some case, development occurs with the development planning rights having been obtained by the property owner. The Town Planning Section is tasked, in terms of the Planning and Development Act, to act against town planning transgressions.

Public Consultation

- The Town Planning Section has public consultations between 07H30 and 12H00 everyday, the public is also

allowed after these hours, albeit only by appointment or if the matter is seen as urgent by the relevant town planner. Among the many wide ranging enquiries that town planning received, the following are noted:

- Enquiries on development controls (zoning, bulk factors)
- Requests for town planning advice on land development
- Request for diagrams from the Surveyor General
- Providing information on the **process** to be undertaken during a development application.
- Providing information on the **requirements** of a particular development application, which differ from one application to another
- Providing **zoning certificates** which detail the development right of an individual property, upon request.

Despite the challenges experienced in the 2009/2010 financial year mainly associated with the transition from the Town Planning Ordinance to the Planning and Development Act, the Town Planning Section has managed to process development applications according to the PDA (new applications) for also according to the Town Planning Ordinance (Applications submitted according to the Ordinance) within the required timeframes.

During the year under review the Hibiscus Coast Municipality entered into a Development Planning Shared Service agreement with the Ugu District municipality together with its family of local municipalities. The aim of the agreement is to share the scarce town planning resources among the municipalities and in the process assisting the less capacitated ones with skills transfer.

Notable achievements for the sections entail: -

- Completion of the Spatial Development Framework (SDF) 2009/2010 Review
- Extensive work on the Urban Land Use Management Systems (LUMS)
- Rural Node Framework near completion
- Adoption of the delegations from the KwaZulu Natal Planning and Development Act, Act No. 2008
- Taking over all development Planning functions from COGTA through the PDA
- Restoring customer confidence in terms of the quality of work undertaken as evidenced by the reduction in the number of complaints received by the offices of the Mayor and the Municipal Manager respectively

Geographical Information Systems (GIS)

The Geographical Information Systems section faced challenges arising from first the resignation of the GIS Officer and secondly by the outdated software which needed urgent upgrade. However due to budget constraints the upgrade could not be undertaken and consequently the GIS Officer post could not be filled after resignation.

Environmental Management

The Environmental Management Section was responsible for the following:

- Protection of Natural Resources
- Provision of advice to the municipality in terms of environmental management issues
- Providing support to all internal departments on environmental issues, such as building plans approval.

- Enforcement and monitoring of municipal Environmental Bylaws and Policy, as well as national legislations governing the protection of natural environment.
- Environmental Education and capacity building in conjunction with Provincial Department of Agriculture, Environmental Affairs and Rural Development
- Environmental Strategic Planning

The Environmental Management section experienced various challenges arising from the effects of floods which negatively impacted on the coastal areas of the municipality particularly the beaches which needed major infrastructural repairs afterwards. However, these were addressed and necessary steps were taken, such as processes leading into attaining the Environmental Authorisation (EA) which was issued by Department of Agriculture, Environmental Affairs and Rural Development (DAEA & RD), permitting the municipality to continue with rehabilitation works. Some of the achievements include:

- Environmental Management –Town Planning related input on sub divisions, special consent applications, DFA applications, relaxation of building lines, rezoning applications and monitoring adherence to environmental authorizations
- Environmental input on building plans submitted made within 30 days of receipt.
- Environmental site inspections conducted within two days of receiving a complaint or concern – this is specific to phone in complaints other than daily routine site inspections.
- Identifying environmental contraventions and referring them to Department of Agriculture and Rural Development for further action

On the whole the unit faired fairly well in assisting internal departments navigate environmental issues as well as identifying environmental contraventions and referring same to the DAE&RD for court action.

Signage Control

Significant progress in respect of addressing signage pollution was recorded since the appointment of a Signage Control Officer. About 70% of illegal signs were removed within Hibiscus Coast Municipality's area of jurisdiction. However the signage pollution is an ongoing problem and loopholes with the current by-laws had to be addressed culminating into their review. Partnerships with other stakeholders, including estate agents, the Provincial Department of Transport and South African National Road Agency Limited (SANRAL) yielded dividends in managing signage pollution in an a coordinated manner.

PROTECTION SERVICES DEPARTMENT

Protection Services Department is responsible for the safety and security of our communities. Mr VK Chetty is the Director of the Department. The department consists of the following sections:

- Fire and Disaster
- Motor Licensing Bureau
- Policing
- Traffic
- Airport

During this financial year the department spent a tremendous amount of time in ensuring safety and security at many events. This approach also attracted big events such as the Africa Bike Week, Ugu District Winter Sports games, Margate Centenary and the 2010 FIFA operations regarding the Algerian team. The Margate airport building was upgraded to accommodate larger aircrafts during FIFA operations. The Province assisted by giving a grant of R10m to be used towards the upgrading of the airport.

Key issues

Mastering inter-departmental integration & cooperation. Strategy to address challenge-Regular departmental meetings were held with staff and managers. Development & review of sector plans and policies through the review of the Disaster Management Plan. There was a serious staff shortage. Internally to save high costs. Providing a 24 hour fire & rescue service. Staff shortage at motor licensing. Huge demand for drivers/ learner tests -Strategy to address challenge-Increased cashiers to facilitate booking of tests

Fleet management issues

The department has 12 traffic vehicles that are on lease and costs approximately R720000 per annum. Policing division has eight leased patrol bakkies at a cost of R576000 per annum. The Fire division has six leased vehicles that costs R744 000 per annum. These vehicles are used to an optimal benefit to Council. One heavy duty fire engine has been loaned to Council from Ethekwini Fire and Rescue Services. Ugu District Municipality also assigned a heavy duty fire truck to Council to be used as an emergency response unit to all municipalities within the District.

Cost to employer

Will get updated figures from Treasury on Monday

EMPLOYEE	TOTAL COST (R)
Director	611 532
Managers X5	2 127 979
Other staff members	4 000 000

Fire, Rescue & Disaster Management Unit

Functional Areas

- Training of staff members
- Enlisting of reservists
- Fire prevention measures
- Speedily response to emergencies
- Provision of fire and disaster service to MPCC areas
- Enhancing safety at events

Core functions

Disaster Management

- Train communities regarding fire and disaster management.
- Provide immediate aid or relief to affected areas during and after disasters or emergency incidents.

FIRE, RESCUE AND FIRE SAFETY

- The objective of this section is to provide a well-organized service capable of handling all types of emergencies promoting safety and protection of the lives and properties of our community.
- To provide an efficient fire prevention section to inspect existing buildings and building plans in accordance with legislation.

Section : Motor Licensing Bureau (MLB)

Achievement

Electronic booking for driving licence tests

Functional areas

The functional and service delivery areas of the MLB are divided into three operational areas, namely Motor Vehicle Licensing, Driving/Learner Licenses and Roadworthiness of Vehicles. The majority of the functions are performed at the Port Shepstone offices with the additional office in Margate that performs only the licensing of motor vehicles. All three operational areas must conform to procedures as stipulated in the National Road Traffic Act, 1996 (Act no. 93 of 1996).

The Examiners and the Administration Assistants have to be registered with the KZN Department of Transport in order to perform their respective duties.

The fees for the registration/licensing of vehicles, examination of vehicles for roadworthiness and testing of applicants for driver/learner licenses, are stipulated and structured by the KZN Department of Transport.

Core functions

- Assist with the renewal of drivers licenses
- Assist with the conversion of foreign driving licenses
- Assist with bookings for learner and driving licenses
- Assist with the testing and issue of instructors certificates
- Perform practical tests for driving licenses
- Conduct written and oral tests for learner licenses
- Assist with the registration and or licensing of motor vehicles
- Assist with change of vehicle status
- Assist with introduction of motor vehicles
- Assist with the issue of special and temporary permits
- Assist with the registration of motor dealerships and the issue of motor dealer plates
- Conduct the testing of vehicles and the issuing of roadworthiness certificate

POLICING SECTION

Section : Policing and security

Core functions

- Provide patrols in high crime areas.
- Provide sector policing in problematic areas
- Crime Prevention Services
- Set up community driven policing forums
- Set up accessible crime reporting centres
- Establish a partnership with the community
- Provide effective service delivery
- Create reassurance amongst communities
- Render a social service
- Implement a speedy reaction time to complaints
- Implement safer beaches with regard to blue flag status and other beaches
- Monitor 24-hour CCTV surveillance cameras Port Shepstone and Margate CBD and Taxi rank



Margate CCTV control centre

Overall function

A Superintendent who reports to the Director Protection Services manages the policing section. The Policing section comprises a North and a South sub-section that deals with all proactive policing, visible patrols and offers a protective service to our community. The Policing section, in partnership with South African Police Services, also monitors crime incidents such as rape, housebreaking and domestic violence. This section also provides statistics in order to perform crime prevention measures.

TRAFFIC SECTION

Functional Areas

The functional and service delivery areas of this section have been divided into two operational areas, namely North and South. The Northern area includes towns such as Port Shepstone, Hibberdene, Marburg, Albersville, Sea Park, Bhobhoyi, Mkholombe, Louisiana and KwaMadlala. Two Assistant Superintendents together with eleven qualified Traffic Officers for both day and night shift, cover areas from Hibberdene to Oslo Beach, to McDonald farm and surrounding areas within the jurisdiction of HCM. The Southern area include towns such as Margate, Ramsgate, Southbroom, Marina Beach, Trafalgar, Leisure Bay, Palm Beach, Gamalakhe, Gcilima, Mvutshini, Nzimakwe and Port Edward.

Two Assistant Superintendents with nine qualified Traffic Officers for both day and night shift cover areas from McDonald farm up to Port Edward and surrounding areas within our area of jurisdiction. There is one assistant superintendent, four data capturers and two general workers. This section's main function is to issue and receive face value books, prepare court rolls, capture all work done by officers, filling in of face value documents and collection of cash.

Functions

- Provision of traffic enforcement programmes
 - Scholar patrols.
 - Educational programmes.
 - Identification of engineering problems, e.g. road markings and traffic signs
 - Attending motor vehicle collisions
 - Assisting with traffic volume counts
 - Incident management on national routes
 - Community participation with provincial departments such as the Arrive Alive Campaign
 - Assistance with special functions
 - Assistance with special events e.g. Mayoral and Ministerial visits
 - Community driven awareness campaign
 - Pedestrian education programmes.
-
- Establishment of back office for Digital Speed Law enforcement.
 - Two approved fixed sites (Southport and Sea Slopes) for digital speed law enforcement as well as various mobile sites within HCM.
-
- Staff were given training on Dragager SD-2, Firearm (competence).

AIRPORT SECTION

Overview

Council is planning to upgrade the airport in the near future to accommodate large aircraft. The upgrade will benefit the residents and communities from neighbouring areas. The airport complies with Civil Aviation Authority (C.A.A) regulations and will be upgraded to a category 6 status in the near future.



Margate airport

Functional Areas

- Management of airport operations
- Supervision of Air Traffic Control room
- Security of premises and baggage handling.
- Management of Runway
- Ensure Fire services in operation
- Supervise fuelling operations

Administration

- Preparation of accounts and reports to Civil Aviation Authority (CAA)

Core function

- Compliance with Civil Aviation Authority (CAA) requirements
- Management of airport operations
- Supervision of Air Traffic Control room



Councilors handing out gifts during prison visit

DEPARTMENT OF CLEANSING AND MAINTENANCE

Highlights

- ❖ Bin Liner Distribution to ratepayers with a budget of R1,2 million to 14 thousand households.
- ❖ Six Anti Litter Clean Up Campaigns involving community members.
- ❖ Commencement of Recycling at Ravine Lane – Tender Awarded to Waste Dudez.
- ❖ Significant reduction in number of complaints in respect of Verge Maintenance and Refuse Upliftment.
- ❖ Implementation of Performance Bonus Incentive Scheme for staff to improve productivity

and service delivery.

- ❖ 2010 World Cup – contributed to successful hosting of Algerian National Football Team.
- ❖ Siyazenzele – Food for Waste Project : was managed its successfully implementation.
- ❖ Implementation of the Integrated Waste Management Plan (IWMP).
- ❖ Successfully implementation of Siyanakekela Project : Verge Maintenance Poverty Alleviation Project.
- ❖ Assisted in the successful hosting of the Biker's Week and participation in the Lions Show.



Some of the equipment handed over to the Siyanakekela team

Departmental functional areas

Directorate Cleansing and Maintenance comprises of Administration, Depots 1, 2 & 3 and Building Maintenance. The Functional categories are :-

- Waste Management
- Cleansing
- Building Maintenance
- Verge Maintenance
- Solid Waste Removal
- Maintenance of Tidal Pools.
- Horticulture and Beautification.

- Fleet Maintenance.
- Maintenance of Cemeteries.
- Support unit for all other directorates with our limited resources.

Overview of each functional area

- **Waste management**

- Refuse Removal.
- Manage and Operate four Garden Refuse Transfer Stations.
- Manage Oatlands Regional Refuse Site.
- Promote the waste management hierarchy by implementing the National Waste Act, 2008.
- Implementation of the newly approved and adopted Integrated Waste Management Plan.
- Promote waste minimisation initiatives more specifically recycling initiatives.



Cleansing

- Street Cleaning.
- Cleaning of Public Ablutions.
- Cleaning of Taxi Ranks. (Port Shepstone, Gamalakhe, Port Edward and Murchison) Hibberdene and Margate X 2.



Siyanakekela members operating new mowers

waste collection truck

Solid Waste

The Solid Waste section of the Directorate comprises of 3 Depots under the control of the Area Manager as listed below.

DEPOT 1 staff component (From Hibberdene to Umtentweni)

- 1 Manager
- 1 Superintendent.
- 2 Supervisors.
- 2 Refuse Compactors.
- 18 General Workers.

DEPOT 2. Staff component (Port Shepstone, Marburg, Shelly Beach & Gamalakhe)

- 1 Manager
- 1 Superintendent.
- 10 Supervisors.
- 2 Refuse Compactors.
- 2 Skip Trucks.
- 87 General Workers.

DEPOT 3 staff component (From Shelly Beach to Port Edward)

- 1 Manager
- 1 Superintendent.
- 6 Supervisors.
- 6 Refuse Compactors.

1 Skip Truck
84 General Workers.



Cleansing and maintenance employees

The area from Southbroom to Port Edward is done by our Service Provider, Emerald Fire , whose contracts end on the 1st October 2010.

- This section is responsible for the upliftment of domestic refuse on a weekly basis and commercial properties between 3 and 7 times per week.
- The Directorate's budget for this function is R31 113 343-00 out of the Council's total budget of R423 530 162.00 which includes refuse removal, disposal costs and street cleaning.
- The Directorate is also responsible for keeping its area clean and has both day and nights shift responsible for street cleaning. The Directorate also utilizes a service provider for cleaning streets and public ablution blocks over weekends and public holidays which results in a seven (7) day week service in respect of those functions.
- The Directorate has four Garden Refuse Transfer Stations namely Glenmore, Southbroom, St. Faiths and UGU Fresh Produce Market. The Directorate has planned an additional Garden Refuse Transfer Station at Hibberdene and it is currently awaiting Environmental approval as the decision has been taken on Appeal.
- A concern is the litter problem being experienced throughout the Council Area.
- A total of 9 Anti-Litter Campaigns were conducted over and above the normal clean up by Council staff. *The only way to sustain this campaign is education, starting with our future leaders. i.e. School children.*
 - The Siyazenzele Project is ongoing and has once again proven to be successful to both Council and the Community.
 - The Directorate is responsible for the operations of the Oatlands Landfill Site. This is the only registered site for Council for disposal of domestic and garden refuse. It is operated in terms of the permit issued and operations are of a high standard in compliance with legislation. Funding was obtained for the extension of Phase 4A at a cost of R6.1 million and this project was completed by the 31 August 2009 to allow an additional 10 to 12 month's airspace.
 - The Directorate has established a Recycling Centre in Port Shepstone to reduce the waste going to our landfill site in terms of the Waste Management Act. The recycle centre is fully operational. The Directorate is also looking at Durban Recycling Projects to include sorting at source. i.e. residents will become part of

- the recycling project with pilot projects been in Albersville and Margate/Ramsgate.
- Reasonable service is provided to urban areas



Briefing meeting with Siyanakekela workers

Horticulture and Beautification

The Directorate upgraded various entrances to the Hibiscus Coast Municipality and its central business districts with gardens that are eye catching and portray a good image of Council.

Directorate Cleansing and Maintenance

- Improve Service Delivery.
- Improve appearance of our Municipality (all entrance points) by improving gardens and beautification.
- Improve productivity by improving supervision and staff morale.
- Finalize new branding for fleet and protective clothing.
- Increase the number of clean up campaigns.
- Monitor illegal dumping.

Operational areas (including fleet management)

- Adhering to Fleet Policy
- Proper Management of Council's Fleet

- Submission of monthly vehicle mileages to Fleet Manager
- Attending to Certificate of Fitness (COF's), license disc, etc.
- Attending to accidents, insurance claim, etc.

Cost to employer (director, managers and other employees)

- Director : K. Govender R686 075-00
- 3 x Area Manager's Salary Packages R1 307 890-00
- Total Departmental Salary : R38 410 358-22

Key issues for 2009/2010

- Acquisition of 2 Compactors
- Appointment of Service Providers
- Implementation of IWMP
- Successful Operating of Recycling Centre
- Acquisition of Protective Clothing
- Total Budget Control
- Compliance with procurement regulations and policy
- Successful Implementation of Performance Bonus Incentive Scheme
- Compliance of Occupational Health and Safety Regulations
- Timeous and prompt repairs to compactors

TREASURY DEPARTMENT

Departmental Functional Areas

- Collection of revenue
- Payment of monthly creditors and service providers
- Running of monthly billing and posting debtor statements
- Managing the overall budget
- Payment of employee salaries
- Manage and control municipal assets
- Submission of monthly and quarterly reports
- Preparation of annual financial statements
- Identify additional revenue sources
- Stores and Inventory control
- Supply chain management processes
- Operating and controlling the bank account and investments
- Maintaining the insurance portfolio.

Overview of Functional Areas

- The department is responsible for the collection of all revenue through cashier offices in Margate and Port Shepstone as well as making use of third party pay points.
- Ensuring that creditors and service providers are paid on a monthly basis in terms of Councils approved creditor's payment policy.
- Responsible for the processing of monthly billing statements and ensuring that these are mailed out.
- Ensuring that the municipal budget is effectively implemented and that all spending is in accordance with the approved budget.
- Responsible for the payment transaction of salaries to all employees.
- Responsible for the management and effective control of all Council assets and ensuring that these have been accounted for in accordance with generally accepted accounting principles in the accounting system.
- Supplying the Council and National Treasury on a monthly and quarterly basis with such financial reports, statements and projections as required in terms of the Municipal Finance management Act, Act 56 of 2003.
- Ensuring that annual financial statements are prepared in terms of the appropriate accounting procedures and guidelines and that these have been submitted to the office of the Auditor General within two month's after the closing of the financial year.
- Responsible for identifying additional revenue sources thereby ensuring that the municipality is financially sound and managed and is sustainable.
- Responsible for the management and effective control of the two stores and inventory outlets.
- Responsible for the municipality's supply change management department and ensuring that it is fair, equitable, transparent, competitive and cost-effective.
- Operating the Council's bank account in such a manner that all income, investments and expenditure transactions have been accounted for by the appropriate approved signatories to the accounts.
- Managing the Council's insurance and risk portfolio.



Operational Areas

- All sections of the department in the Margate and Port Shepstone offices inclusive of management of all fleet management issues on behalf of all the other Directorates. The department has only one vehicle under its direct supervision.

Cost to Employer

Cost to Employer	
Chief Financial Officer	R710,890
Managers	R2,823,612
Other Employees	R13,704,557
Total	R17,239.059

Key Issues for 2009/2010

- Introducing Provincial and local workshops to inform and capacitate community stakeholders with matters pertaining to stakeholder information sessions.
- Hosting a tax training workshop for all Councillors and section 57 employees.
- Appointed consultants to successfully convert the assets register to be GRAP compliant.
- Will have completed and submitted the 2009/2010 annual financial statements within the prescribed timeframe.
- With the assistance of an outsourced partner we were able to reduce the number of electricity consumers on the monthly cut-off list.
- Reviewed a number of policies.
- Held a number of driver educational and capacity training workshops.
- Introduced a number of maintenance service level agreements with key vehicle suppliers.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Overview

The core business of unit is to foster economic growth to serve as a catalyst for addressing the imbalances of the past, particularly unemployment and prevailing poverty levels. The ultimate objective is to contribute towards the achievement of the millennium development goals of halving poverty and unemployment by 2014. To achieve this, aggressive strategies aligned along the focus areas need to be implemented so as create an environment conducive for economic activity to flourish.

Departmental focus areas:

- Agriculture development
- Interventions aimed at assisting cooperatives
- SMME support
- Investment attraction
- Policies and incentives
- BEE support through procurement
- Poverty alleviation initiatives
- Tourism promotion and product development
- Investment attraction through manufacturing
- Implementation of high impact catalytic projects
- Multi purpose Centre

Challenges

1. The greatest challenge has been the absence of a coordinated effort to ensure that all service providers operating within the Hibiscus Coast Municipality have adopted a common approach in terms of implementing the preferential procurement framework.
2. The absence of an investment facilitation framework has made it difficult to package a suite of incentives encompassing the Hibiscus Coast, Ugu District and Eskom aimed at enticing industry to locate within the Hibiscus Coast Municipality.

SMME development

Tremendous progress has been made regarding capacity building initiatives aimed at assisting SMMEs to run viable business. This has been done through basic business management workshops, tender advice training, taxation matters and cash flow management.



Sand works at the beach

Poverty Alleviation

Support has been given to 90% community gardens by supplying them with advice and assisting them with market access. One house one garden programme and Siyazenzela programme (a food for waste concept) was implemented during this period and managed to absorb a total of 200 beneficiaries into the waste collection initiative in return for food parcels. This ensure that areas which were otherwise not served by the traditional refuse service managed to have their areas cleaned, with the added benefit of ensuring food security for poor households.

Thusong Service Centres

In addition to Bhomela, Madlala, two more MPCC were built at KwaXolo and KwaNzimakwe. The benefit of this is that government services have been brought closer to communities thus relieving them of the inconvenience of endless trips to town and long queues in an attempt to access these services.



Structure and equipment, KwaXolo chicken abattoir

Service Delivery Reporting

Departmental functional areas

The Department of Economic Development is a department that has been, among other tasks, charged with ensuring sustainable economic development, prospering second economy, Cooperatives & SMME development, tourism development and poverty alleviation. The department achieved this through various development focused initiatives. Key to the realization of such initiative was the formation of strategic partnerships with various other stakeholders.

The Departmental focus areas:

- Cooperatives and SMME Development
- Poverty Alleviation, and
- Job Creation

Cost to employer

Position	Total Cost to Employer
Director	R 725, 807
2 x Managers	R 838, 488
All other Employees	R8, 011 061

Key issues for 2009/2010

- Limited implementation budget, and
- Lack of a clear strategy to guide economic development within the municipality



Ellen Mbele, Economic Development Officer displaying beadwork

HEALTH AND COMMUNITY SERVICES DEPARTMENT

Departmental functional areas

- Health & HIV and Aids services
- Life Saving services
- Identification of Burial Sites
- Indigent Burial Sites
- Beaches
- Clinics
- Halls
- Museums
- Swimming Pools
- Libraries
- HCM Wellness Centre



Councillor during the Heritage Day Event

Overview of Functional Area

- Health services include all six urban clinics that provide PHC services, ARV, VCT, Chronic, TOP Counselling, staff training, Prevention of mother to child health transmission programme, family planning, education, community involvement
- HIV/AIDS office has projects in all 27 wards of the municipality, home based care, supplements, counselling and all related issues for both the staff and community e.g. youth talks, ground breakers,
- The Wellness centre takes care of HCM employee's education and treatment of minor ailments and referral to appropriate services.

- Beaches within the coastal strip all manned by HCM including the maintenance of Blue Flag Beaches in accordance with the Blue Flag Criteria.
- Hiring of Halls, upgrade and control of halls and tariff of charges.
- Museums for exhibitions, arts, crafts, Archives, outreach programs, community development and talent searching, book writing skills, collection of South Coast History, Literature development.
- Libraries offer holiday programs, provide books, videos and all. Extension of services to rural areas, building of inland library, introduction of wheelie wagons to rural arrears, free public internet. Almost all projects have been requested from sponsors.



Ramsgate

Operational Areas

- All sections of the department and fleet managed by the Fleet manager at DCM.
- The Directorate has one Library vehicle, one courier service vehicle, four beach vehicles and one hall supervisor vehicle

Revenue generated during 2009/2010

APPLICATION	REVENUE
Pool ticket sales	
Trafalgar	6 000
Margate	20 000
Gamalakhe	3 000
Launching fees	425 144
Libraries	19 666
Halls	234 89

Cost to employer

EMPLOYEE	NO OF EMPLOYEES	TOTAL COST TO EMPLOYER
Director	1	671 971 00
Managers	5	1 116 858
Other employees	197	14 5 111 409
Total	203	1 563 425 367

Human resources

AFRICAN		COLOURED		INDIAN		WHITE	
M	F	M	F	M	F	M	F
7	5	0	0	3	1	0	2

Departmental fleet

<u>REGISTRATION NUMBER</u>	<u>VEHICLE DESCRIPTION</u>
LIBRARIES	
NPS 58905	OPEL CORSA 1600
HALLS	
NPS 18565	VOLKSWAGEN CHICO
CLINICS	
NPS 42898	NISSAN
BEACHES	
NPS 72828	NISSAN 1400 BAKKIE
NPS 17896	NISSAN LDV
NPS 72827	NISSAN 14 BAKKIE
NPS 47693	NISSAN 4 TON CABSTAR

Key Issues for 2009/2010

- Application to DEAT and KZN Tourism for official recognition of Ramsgate Whale View Site.
- Pollution of rivers and beaches solutions to comply with the Blue Flag status and improve tourism.
- Marketing of Blue Flag Beaches
- Transfer of Health Services follow up and negotiations.
- Upgrade of Beach Change rooms.
- Sort out shortage of nurses and employment of retired nurses as temps to assist with the shortage.
- Correction of nurses salary disparity
- Request province for more professional nurse's posts.

Service providers that were contracted in 2009/2010

1. Tower 13 and Ubuntu Lifeguard Services supply permanent, relief and seasonal Lifeguards to manage 24 beaches within the HCM.
2. Nombululu COOP supply cleansing service for beaches on week ends and Public holidays SCCS Provides an excellent service
3. KEVDON CC (T/ SCCS)- Supply cleaning services for beaches and public facilities from Southbroom to port Edward



Margate beach



Margate museum



Mr Speaker and the Municipal Manager during 2010 Soccer World Cup built up

CORPORATE SERVICES DEPARTMENT

Corporate Services Department's core function is to provide support to all the Departments within the Hibiscus Coast Municipality to ensure efficient and effective service delivery. Director responsible for this department is Mr PN Mathebula.

Structure

The departments consist of the following sections;

- i. Human Resources
- ii. Skills Development and Training
- iii. Adult Basic Education and Training
- iv. Communication and Information Technology
- v. Estates Administrations
- vi. Employee Assistance Programme

Staff complement

The staff complement of the department is eighteen (18) designated as follows

- o Director Corporate Services (1)
- o Personal Assistant (1)
- o Manager Human Resources (1)
- o Manager Communications and Technology (1)
- o Manager Estates Administration (1)
- o Manager Employee Assistance Programme (1)
- o Systems Administrators (4)
- o Skills Development Facilitator (1)
- o Human Resources Officer (1)
- o Administrative Officer (1)
- o Personnel Assistant (1)
- o Administrative Assistants (4)
- o Messenger (1)

Staff resignation summary

SUMMARY	
Indian Male new appointment: external	1
African Male resigned	1
Indian Male resigned	1

CORE FUNCTIONS: SECTIONS

- *Human resources*

Recruitment, selection and placement
Personnel records
Labour relations

- *Communication and Information Technology*

Provide access to information users and network services

- *Estates administration*

Administration of Council owned properties
Management of leases
Disposal of Council owned immovable properties

- *Employee Assistance Programme*

Provision of assistance to employees and Councillors through Employee Assistance Programme.

- *Training and skills development*

Facilitate skills audit
Development and implementation of the workplace skills plan in line with Hibiscus Coast Municipality's Integrated Development Plan

- *Adult Basic Education and Training*

To facilitate Adult Basic Education and Training within Hibiscus Coast Municipality in consultation with Department of Education for the improvement of literacy levels

HUMAN SETTLEMENTS & INFRASTRUCTURE DEPARTMENT



Louisiana housing



Margate taxi rank

CHAPTER 3

Hibiscus Coast Municipality carries out many functions which are aimed at improving the conditions of people residing in it and visitors as well. The municipality is a high capacity. The total administration complement of the municipality was 1173 in 2009/2010.

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	27	0	6	9	17	2	1	4	66
Senior management	17	1	4	8	6	0	0	2	38
Professionally qualified and experienced specialists and mid-management	31	3	13	16	37	1	6	8	115
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	163	6	31	13	111	6	26	20	376
Semi-skilled and discretionary decision making	246	0	8	3	81	1	0	2	341
Unskilled and defined decision making	101	0	1	0	134	0	0	1	237
TOTAL PERMANENT	585	10	63	49	386	10	33	37	1173

The table above highlights the employment categories

Staffing information

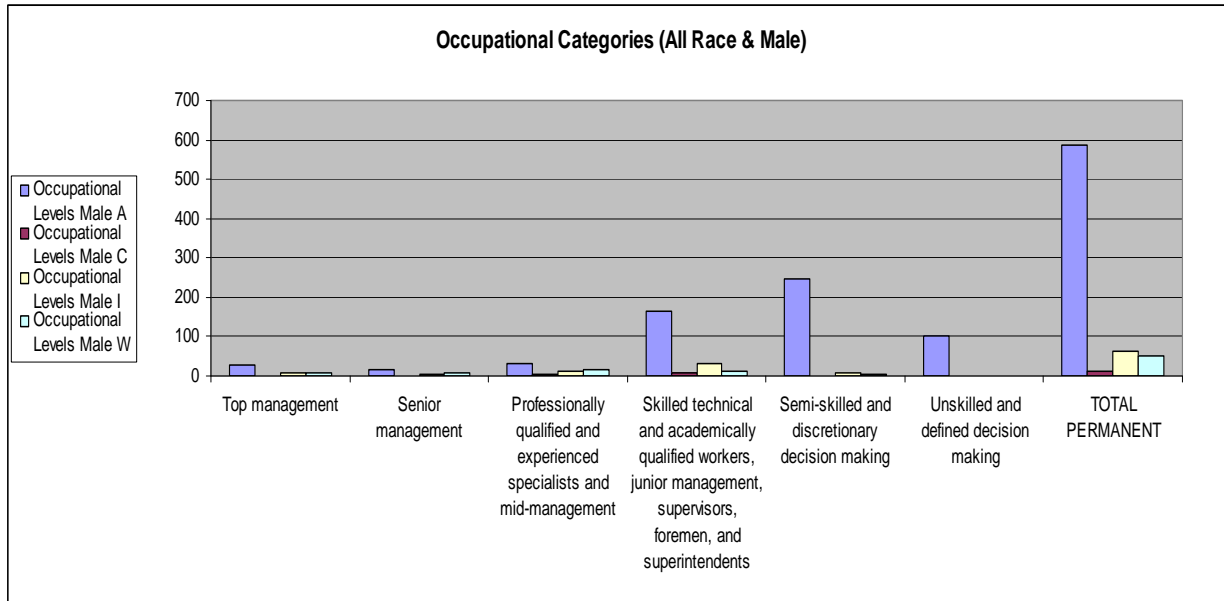
Department	No. of staff	No. of vacancies	Vacant positions
Office of the Municipal Manager	13	2	Director Operations
Corporate Services Department	18	1	Manager: Estates Administration
Economic Development Department	11	None	None
Health & Community Services Department	184	4	Senior Life Guard X 1 Enrolled Nurse X 1 Library Assistant X 1 Pool Attendant X 1
Planning & Building Control Department	28	2	GIS Technician X 1 Admin Assistant: Signage Control X 1
Protection Services Department	195	35	Leading Fireman/woman X 1 Firemen/women X 1 Admin Assistant X 1 Traffic Officers X 3 Control Room Operators X 3 CCTV Camera Room Operators X 5 Traffic Wardens X 12 Airport Attendant X 1 Crime Prevention Officers X 5
Human Settlements & Infrastructure Department	144	10	Manager Electrical X 1 Electrician X 1 Supervisors X 3 General Assistants X 4 Bricklayer X 1
Cleansing & Maintenance Department	412	9	Supervisor X 1 Machine Operators X 8
Treasury Department	79	5	Chief Financial Officer Financial Interns X 3 Control Accountant: Finance X 1 Credit Control Clerk X 1

Staffing information as in 2009/2010

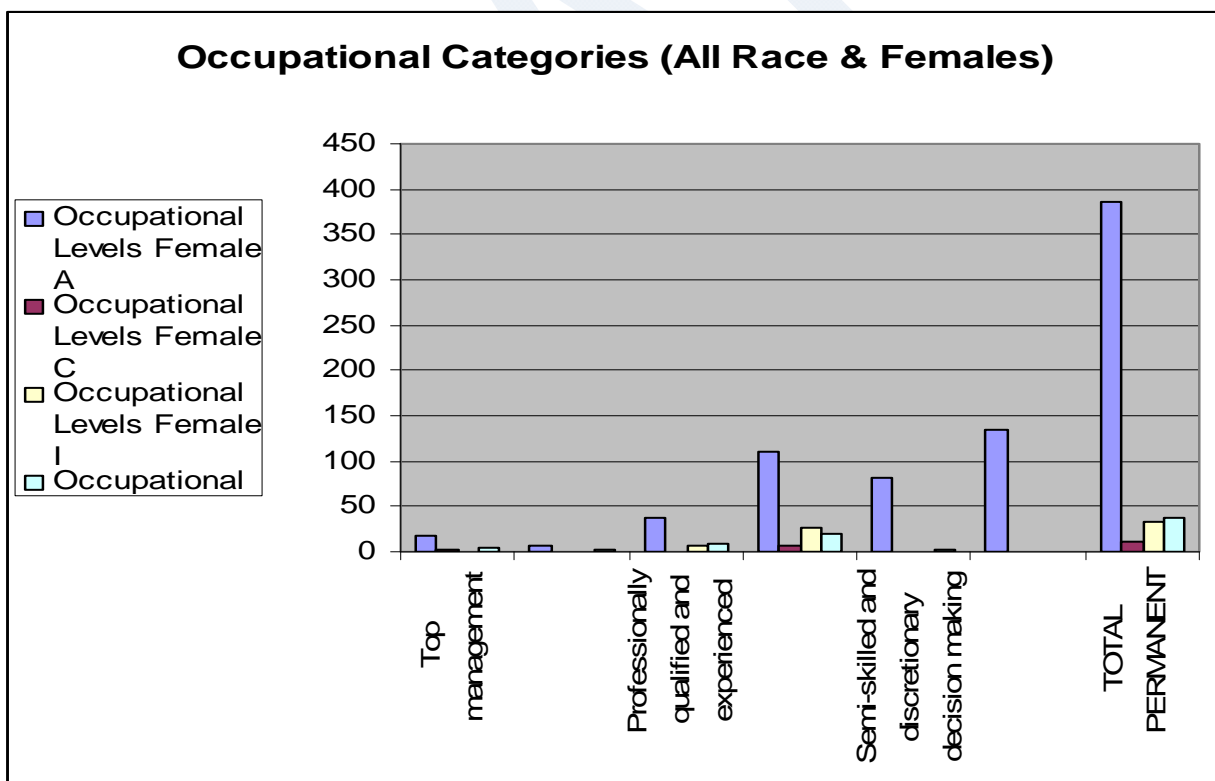
Staff profile

HCM Staff profile										
Level	Top Management		Managers		Superintends		General Workers		Contract workers	
	Existing	Ideal	Existing	Ideal	Existing	Ideal	Existing	Ideal	Existing	Ideal
Section 57	8	10								
Level 1			38	40						
Level 5					14	14				
Level 16							216	216		
									502	502

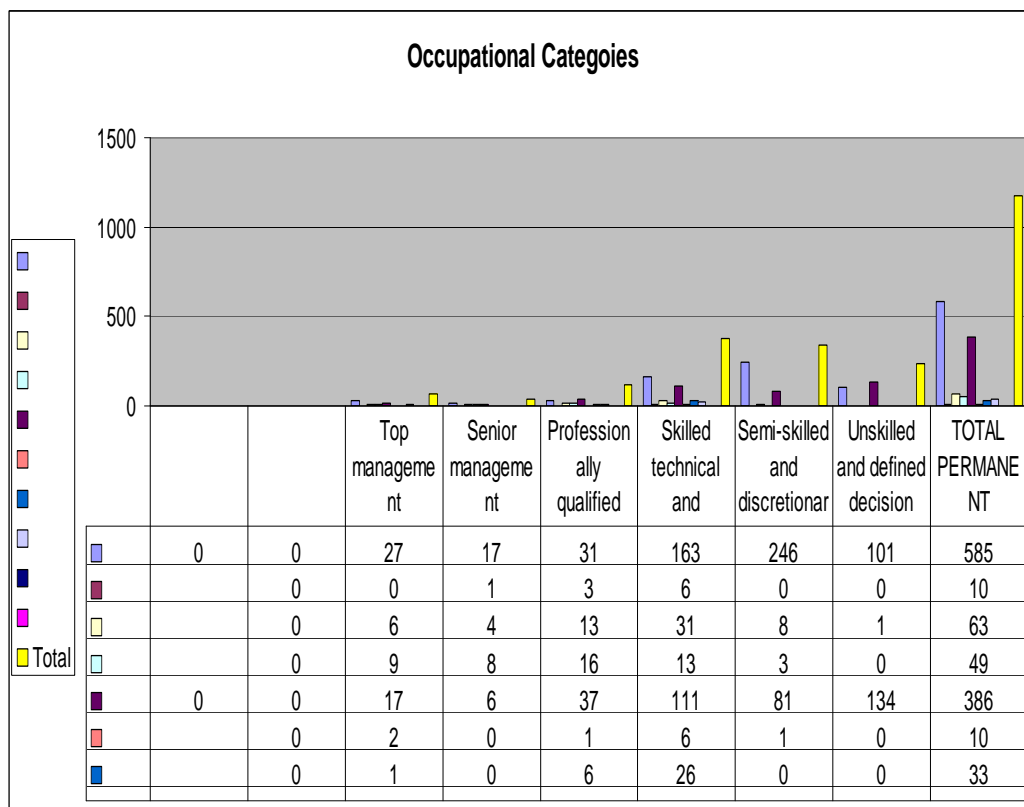
Graphs below indicates staff by race, staff by gender, staff by category



Graph: Occupation levels by male



Graph: Occupational levels by gender



Graph: depicts occupational categories

The table below reflects the training provided for both staff and councillors

	Course Name or Qualification Title	Number of people attended
1	Customer care	10
2	Specialist Project Management	25
3	Electricity switching MV	3
4	International Certified Drivers License (ICDL) computer course	30
5	Fire fighter 1 & 2	5
6	Advance driving	5
7	Basic ambulance attendance	2
8	Chainsaw operator	10
9	Office Administration	14
10	First Aid	15
11	Vehicle Examination	2
12	Records Management	1
13	Firearm training	12
	TOTAL	134

Table: reflects that 134 staff and councillors were trained

Bursaries awarded to staff and councillors

Field of study	No. of awardees	Amount (R)	Date of completion
Local Government Programme	2	R33 811.99	December 2010
Public Management	1	R 9 000.00	December 2010
Primary Health Care	1	R12 405.00	December 2010
Safety Management	1	R 5 290.00	December 2010
Taxation	1	R19 185.00	December 2010
Business Administration	1	R 9 744.00	December 2010
Information Science	1	R 5 888.00	December 2010
Disaster Management	1	R 7 000.00	December 2010
Electrical Engineering	1	R10 900.00	December 2010
Human Resource Management	3	R35 516.00	December 2010
Public Administration	1	R12 118.75	December 2010
Fine Art	1	R10 690.00	December 2010
Communication	1	R 5 676.00	December 2010

Bursaries awarded to citizens

Name & Surname	Gender	Field of study	Institution	Amount (R)
Xolani Ngcobo	Male	Accounting	Durban University of Technology	R49 702.45
Z Mabalabala	Female	Accounting	Vaal University of Technology	R25 808.25
Nonkanyiso Malunga	Female	Planning	Durban University of Technology	R22 250

Internship programme

This programme provides students with the skills and experience they require in order to obtain their tertiary qualifications (degrees and diplomas). The students placed on this programme receive a stipend of R500 per month. In the 2009/2010 financial year Council budget was R60, 000 for the programme which was only able to accommodate eight students.

Name & Surname	Gender	Department	Duration	Amount (R)
Khulekile C Msomi	Female	Corporate Services	08 July 2010 – 31 December 2011	R500-00pm
Hlengiwe P Mzobe	Female	Corporate Services	08 July 2010 – 31 December 2011	R500-00pm
Sindi Mthembu	Female	Corporate Services	15 July 2010 – 31 December 2010	R500-00pm
Nokwanda Q Nyawose	Female	Human Settlement & Infrastructure	07 July 2010 – 31 December 2010	R500-00pm
Xolile Zandi Dali	Female	Human Settlement & Infrastructure	13 July 2010 – 31 December 2010	R500-00pm
Mzikayifani F Ncane	Male	Human Settlement & Infrastructure	23 August 2010 – 28 February 2011	R500-00pm
Samekelisiwe Radebe	Female	Protection Services	12 July 2010 – 31 December 2011	R500-00pm
Nduduzo B Chala	Male	Operations	26 July 2010 – 31 December 2010	R500-00pm

Minimum competency levels for senior managers

Hibiscus Coast Municipality was a grade 8 municipality during the year under review, with ten Section 57 Managers. The Government Gazette No. 29967, promulgated on 15 June 2010 states qualification for senior managers of those municipalities that raise more than R500million revenue per annum should be as per the table below:

Description	Qualifications
Higher Education Qualification	At least NQF Level 7 in a field relevant to the senior management position
Work-related experience	Minimum of 7 years at senior and middle management level, of which at least 2 years must at senior management level
Core managerial and occupational competencies	As described in the performance regulations
Financial and supply chain management competency areas	Required minimum competency level I unit standards
Strategic leadership and management	116358; 116361
Operational financial management	119341; 119331; 116364
Governance, ethics and values in financial management	116339
Financial and performance reporting	116363; 119350; 119348; 116341
Risk and change management	116339
Project management	119343
Legislation, policy and implementation	119334; 116361
Supply chain management	116353
Audit and assurance	116351

Senior managers competency during the year under review

Number	Status
No. of S57 who met requirements	7
No. of S57 who did not meet requirements	3
No. of S57 studying towards acquiring qualification	2

Policies and by-laws developed or reviewed

Policies:

- Amended policy on the Management of Immovable Properties of the HCM (C113/08/2009 – 25 August 2009)
- Tuition Assistance Policy Review (EX135/09/2009 – 8 September 2009)
- Integrated Municipal Environmental Policy (EX210/09/2009 – 22 September 2009)
- Employee Assistance programme Policy (C110/09/2009 – 29 September 2009)
- Review of the Grant-in-Aid policy (EX105/11/2009 – 3 November 2009)
- Amendment of Tuition Assistance Policy (EX240/02/2010 – 16 February 2010)
- Review of the Rates Policy (SPC 108/03/2010 (SPC 108/06/2010 – 30 June 2010)
- Review of the Consumer Care, Credit Control and Debt Collection policy (EX110/06/2010 – 1 June 2010)

Bylaws:

The Hall Hire bylaws were promulgated in the KZN Provincial Gazette on 16 July 2009. Various bylaws are being reviewed, but have not been adopted yet.

Medical aid schemes in operation

- Bonitas
- LA Health
- SAMWUMED
- HOSMED
- KEY HEALTH

Pension fund schemes in existence

- Provident Fund
- Retirement Fund
- Superannuation Fund

Disclosures

Councilor	Total Cost (R)	
	2009	2010
Her Worship	R 554 559	R 576 275
Deputy Mayor	R 446 844	R 461 020
Speaker	R 440 022	R 461 020
Executive Committee Members	R 3 464 299	R 3 623 425
Councillors	R 8 136 012	R 8 810 373
Total	R13 041 736	R13 932 113

Remuneration for Senior Managers

Remuneration of the Municipal Manager		
	2009 (R)	2010 (R)
Annual remuneration	R 574 852	R 503 137
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 308 121	R 328 072
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 9 063	R 24 027
Total	R 892 036	R 855 235

Remuneration of the Chief Financial Officer		
	2009 (R)	2010 (R)
Annual remuneration	R 467 705	R 435 706
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 215 300	R 247 319
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 67 028	R 27 866
Total	R 750 033	R 710 890

Remuneration of the Director Protection Services		
	2009 (R)	2010 (R)
Annual remuneration	R 301 134	R 301 134
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 310 993	R 313 787
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 27 242	R 23 866
Total	R 639 369	R 638 787

Remuneration of the Director Corporate Services		
	2009 (R)	2010 (R)
Annual remuneration	R 310 600	R 310 600
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 265 632	R 304 787
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 52 783	R 23 400
Total	R 629 014	R 638 787

Remuneration of the Director Economic Development		
	2009 (R)	2010 (R)
Annual remuneration	R 125 672	R 277 240
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 195 532	R 303 171
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 14 567	R 45 932
Total	R 335 770	R 626 343

Remuneration of the Director Cleansing & Maintenance		
	2009 (R)	2010 (R)
Annual remuneration	R 556 060	R 575 971
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 128 476	R 96 000
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 4 013	Nil
Total	R 688 549	R 671 971

Remuneration of the Director Human Settlement & Infrastructure		
	2009 (R)	2010 (R)
Annual remuneration	R 297 684	R 280 042
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 276 850	R 133 026
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 46 770	R 53 578
Total	R 621 304	R 466 646

Remuneration of the Director Planning & Building Control		
	2009 (R)	2010 (R)
Annual remuneration	R 457 300	R 468 915
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 173 808	R 166 656
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 66 616	R 36 400
Total	R 697 724	R 671 971

Remuneration of the Director Health & Community Services		
	2009 (R)	2010 (R)
Annual remuneration	R 338 893	R 349 026
Leave encashed	Nil	Nil
Car, entertainment, housing, subsistence, & other allowances	R 217 093	R 267 514
Performance Bonus	Nil	Nil
Company contributions to UIF, Medical & Pension Funds	R 24 184	R 23 400
Total	R 580 169	R 639 940

ABET

The purpose of this section is to facilitate Adult Basic Education and Training within Hibiscus Coast Municipality in consultation with Department of Education for the improvement of literacy levels. In the 2009/2010 financial year 16 learners sat for examination and passed the relevant levels enrolled

Employee Assistance Programme & Projects

The Employee Assistance Programme is responsible for provision of assistance to employees and Councillors through Employee Assistance Programme.

The projects of the section are as follows:

1. Marital, family and relationship problems
2. Substance abuse
3. Social support /bereavement
4. Workplace violence
5. Trauma Counselling
6. Stress (social, family and job)
7. Family violence
8. Sexual harassment in the workplace
9. Psychological problems
10. Financial Management problems
11. Legal aid.

In the 2009/2010 financial year the section focused on the adoption of the Employee Assistance Programme Policy which was adopted on 17 November 2009 and the awareness campaigns. The Programme was launched on 19 March 2010.

CHAPTER 4

HIBISCUS COAST MUNICIPALITY

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HIBISCUS COAST MUNICIPALITY

APPROVAL OF THE GROUP FINANCIAL STATEMENTS AT 30 JUNE 2010

I am responsible for the preparation of these annual financial statements, which are set out on **pages 7 to 52** in terms of section 126 (1) of the Municipal Finance Management Act, 2003. (Act No. 56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in **note 26** of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

SW Mkhize

Municipal Manager

HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

1. BASIS OF ACCOUNTING

1.1 PRESENTATION OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices, including any interpretations of such Statements issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by the Standard of GRAP

The accounting policies applied are consistent with those used to present the previous year's financial statements. The details of any changes in accounting policies are explained in the relevant policy.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

- Presentation of Financial Statements
- Cash Flow Statements
- Accounting Policies, Changes in Accounting Estimates and Errors
- Borrowing Costs
- Consolidated and Separate Financial Statements
- Revenue from Exchange Transactions
- Inventories
- Leases
- Events after the Reporting Dates
- Investment Property
- Property, Plant and Equipment
- Provisions, Contingent Liabilities and Contingent Assets
- Paragraph relating to Revenue from Non-Exchange Transactions

Non-Current Held for Sale and Discontinued Operations
 Events after the Reporting Dates
 Intangible Assets
 Related Parties
 Impairment of Non-Cash -Generating Assets
 Financial Instruments : Disclosures
 Employee Benefits
 Financial Instruments : Presentation
 IAS 36 Impairment of Assets
 IAS 39 Financial Instruments : Recognition and Measurements

1.2 PRESENTATION OF CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least 12 months except the municipal entity whose the ability to continue as a going concern is dependent on continuing to receive support from Industrial Development Corporation(IDC).

1.4 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the municipality

GRAP 18 Segment Reporting -issued April 2006
 GRAP 21 Impairment of non-cash generating assets-Issued March 2009
 GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
 GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
 GRAP 25 Employee Benefits- Issued December 2009
 GRAP 26 Impairment of cash-generating assets - issued March 2009
 GRAP 103 Heritage Assets - issued July 2008
 GRAP 104 Financial Instruments- Issued October 2009

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality

1.5 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year the change is made retrospectively as far as practicable and prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year the adjustment is made retrospectively as far as practicable and prior year comparatives are restated accordingly.

2 RESERVES

2.1 CAPITAL REPLACEMENT RESERVE

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in accordance with the budget approval and Council resolution. The CRR is reduced and accumulated surplus/(Deficit) is credited by corresponding amount when the amounts in the CRR are utilised.

The municipality is not required to make compulsory contributions to the CRR. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

2.2 CAPITALISATION RESERVE

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(Deficit) in terms of the directive (Budget circular) issued by the National Treasury. The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(Deficit)

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(Deficit). When the item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(Deficit)

2.3 DONATIONS AND PUBLIC CONTRIBUTIONS RESERVE

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive(Budget Circular) issued by the National Treasury. When such items of Property,Plant and Equipment are depreciated, a transfer is made from Donations and Public Contributions Reserve to the accumulated surplus(deficit) .The purpose of this policy is to promote community equity and promote budgetary control by ensuring that sufficient funds are set aside to offset future depreciation that will be incurred over the estimated useful life of the item of Property, Plant and Equipment financed from Donations and Public Contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

2.4 GOVERNMENT GRANT RESERVE

When items of Property, Plant and Equipment are financed from Government Grant Reserve, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive(Budget Circular) issued by the National Treasury. When such items of Property,Plant and Equipment are depreciated, a transfer is made from Government Grant Reserve to the accumulated surplus(deficit) .The purpose of this policy is to promote community equity and promote budgetary control by ensuring that sufficient funds are set aside to offset future depreciation that will be incurred over the estimated useful life of the item of Property,Plant and Equipment financed from Government Grant.

When an item of Property, Plant and Equipment financed from Government Grant is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

3 HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, 1997 (No. 107 of 1997). Loans from national and provincial government used to finance house selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

House selling schemes, both complete and in progress at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the said Act, all proceeds from housing developments, including rental income and sales of houses must be paid into the Housing Development Fund. Monies standing to the credit of this account can only be used to finance housing developments within the municipal area subject to the approval of the Provincial Member of the Executive Committee responsible for housing.

4 PROPERTY,PLANT AND EQUIPMENT

4.1 INITIAL RECOGNITION

Property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses except land and building that is not depreciated as it is deemed to have an indefinite useful life.

The cost of an item of property, plant and equipment comprises purchase price, import duties, non-refundable purchase taxes and directly attributable costs of bringing the asset to working condition for its intended use, such as site preparation, initial

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items(Major components) of property, plant and equipment

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value.If the acquired item could not be measured at its fair value ,its cost is measured at the carrying amount of the asset given up.

Items of property, plant and equipment which are acquired at no cost or for a nominal cost are recognized at their fair value.

4.2 SUBSEQUENT MEASUREMENT-COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits

4.3 SUBSEQUENT MEASUREMENT-REVALUATION MODEL(LAND AND BUILDING)

Land and buildings were revalued to their market value by making use of the municipality's general valuation roll. Properties were valued in accordance with generally recognised valuation practices, methods and standards and the provisions of the Municipal Property Rates Act.

4.4 DEPRECIATION AND IMPAIRMENT

Depreciation is charged to the Statement of Financial Performance in the financial year that economic benefits accrue to Council.

Land is not depreciated as it is deemed to have an indefinite life

Depreciation is calculated on cost, using the straight- line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives:

Asset	Years
Infrastructure	
Roads and Paving	30
Pedestrian Malls	30

Electricity	20 – 30
Water	15 – 20
Sewerage	15 – 20
Housing	30
Community	
Improvements	30
Recreational Facilities	20 – 30
Security	5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

4.5 INCOMPLETE CONSTRUCTION WORK

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

4.6.DERECOGNITION

Items of Property, Plant and Equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and recognised in the Statement of Financial Performance.

5 INTANGIBLE ASSETS

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software.

5.1 AMORTIZATION AND IMPAIRMENT

Amortization is charged on a straight-line basis over their useful lives, which is estimated to be between 2 to 7 years.

The estimated useful life and amortization method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

6 INVESTMENT PROPERTY

6.1 INITIAL RECOGNITION

Investment property includes Land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and /or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of an entity's operations.

6.2 SUBSEQUENT MEASUREMENT- FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model investment property is carried as its fair value at the reporting date. Any gain or loss arising from the changes in the fair value of the property is included in surplus or deficit for the period in which they arises.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sale proceeds and the carrying value and is recognised in the Statement of Financial Performance.

7 INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable value. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

8 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

9 FINANCIAL INSTRUMENTS

The municipality initially classifies financial instruments ,on initial recognition as a financial asset or financial liability in accordance with the substance of the contractual agreement.

9.1 INITIAL RECOGNITION

Financial assets and financial liabilities are recognised on the entity's Statement of Financial Position when the municipality becomes party to the contractual provisions of the instrument.

9.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss,held-to maturity,loans and receivables or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortsed cost (Other).The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP standard on financial instruments, is in accordance with IAS 39.

FINANCIAL ASSETS

The municipality classifies its financial assets according to the following categories:

- Financial Assets at Fair Value through Profit or Loss
- Held-to Maturity Investments
- Loans and Receivables
- Available For sale

FINANCIAL LIABILITIES

The municipality measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings and other non-current liabilities.

9.2.1 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: Loans and receivables and recognised at fair value and subsequently carried at amortised cost. Amortised costs refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on analysing and review the top 40% (Rand value) of debtors in detail. The recoverability of debt owing by each debtor in the top 40% is assessed and the irrecoverable amount is provided for. The remaining 60% of debtors is classified based on category and area. Each classification is analysed and based on their circumstances, the recoverability is determined and the irrecoverable amounts are provided for. The sum of these calculations constitute the year's provision for impairment. No provision is calculated for government debt and property rates as these cannot be written off.

An impairment of trade receivable is accounted for by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses.

9.2.2 INVESTMENTS

Financial assets, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as held-to-maturity and are measured at amortised cost.

Where investment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance

9.2.3 BANK AND CASH EQUIVALENT

Cash includes cash on hand and cash with banks. Bank balances are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, bank and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdraft.

9.2.4 TRADE AND OTHER PAYABLES

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised costs which is the initial carrying amount less repayment plus interest. Finance costs are accounted for using the effective interest rate method.

9.3 IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date an assessment is made whether there is any objective evidence of impairment of financial assets. If there is such evidence the recoverable amount is estimated and an impairment loss is recognized in accordance with ISA 39. Where financial assets have been impaired, the carrying amount are adjusted by the impairment losses, which are recognized as an expense in the period that the impairment is identified.

Long term receivables and other debtors are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Long term receivables and other debtors are recognised initially at cost which represents fair value. Management's opinion is that the carrying value of long-term receivables recorded in the financial statements approximate their fair values. In determining the recoverability of a long-term receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision in excess of the provision for impairment. The impairment recognised represents the difference between the carrying amount of these receivables and the present value of the expected proceeds. The municipality does not hold collateral over the balances.

10 REVENUE RECOGNITION

10.1 REVENUE FROM EXCHANGE TRANSACTIONS

10.1.1 SERVICE CHARGES

Service charges for electricity are based on consumption by consumers as is recorded on each consumer's meter. Meters are read each month and the revenue is recognised in the period that invoices are raised. Provisional estimates of consumption are made in periods where meter readings have not been able to be carried out. The revenue from these provisional readings is also recognised as revenue when invoiced. Adjustments to provisional estimates and recognition of the amended revenue arising from this, is made in the invoicing period in which the meters are read. Revenue from sale of electricity prepaid meter cards is recognised in the period in which the sale is recorded.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month. Refuse costs are also recovered through the medium of the general rate levied on building valuations.

10.1.2 INTEREST EARNED

Interest is recognised on a time proportion basis.

10.1.3 INCOME FROM LEASES

Income arising from leases is accrued in the year in which it is earned and is based on signed leases regulated by legislation in force. Lease receipt and lease payments have been straight-lined in accordance with the provisions of IAS17.

10.1.4 TARIFF OF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

10.1.5 INCOME FROM AGENCY SERVICES

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

10.1.6 SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

The amount of revenue can be measured reliably.

It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

10.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

10.2.1 REVENUE FROM ASSESSMENT RATES

Revenue from assessment rates is recognised when the legal entitlement arises. Collection charges are recognised when such amounts have been raised and are legally enforceable. Penalty interest is raised on unpaid rates after the due date for payment and is recognised on a time proportion basis.

10.2.2 REVENUE FROM SPOT FINES AND SUMMONSES

Revenue from the collection of spot fines and summonses is recognised when payment is received. It is impracticable to make a fair estimation of the fines receivable since the Justice process allows a court to determine the final fine payable on individual cases based on merit and there is no consistency from one case to another.

10.2.3 DONATIONS AND CONTRIBUTIONS

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use. Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

10.2.4 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement and there is reasonable assurance that the grant will be received. To the extent that the criteria, conditions or obligations have been met, a liability is recognised.

10.2.5 REVENUE FROM RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL

10.2.6 EXPENDITURE

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

11 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

The municipality does not recognise a contingent liability or contingent assets. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an outflow of economic benefits is probable.

12 POST EMPLOYMENT BENEFITS

12.1 DEFINED BENEFIT PLANS

The municipality obtains Actuarial valuations for its defined benefits plans liabilities. The Post – employment benefits that were identified are Post -retirement Health Care Benefits and Long-Service Awards Benefits. The estimated liabilities are recorded in accordance with the requirement of IAS 19. Details of the liabilities and key assumptions made by actuaries in estimating the liabilities are provided in note 4 to the annual financial statements.

13 LEASES

13.1 MUNICIPALITY AS A LESSEE

13.1.1 FINANCE LEASE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of an item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

13.1.2 OPERATING LEASE

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

13.2 MUNICIPALITY AS A LESSOR

13.2.1 OPERATING LEASE

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

14 CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements incorporate the financial statements of the municipal entity and its fully controlled subsidiary. Control is achieved where the municipality has the power to govern the financial and operating policies of an entity in order to obtain economic benefits from its operations.

Where necessary, adjustment are made to the financial statements of a subsidiary to align its accounting policy with those of the controlling entity.

Inter-group transactions, balances, income and expenses are eliminated in full on consolidation

15 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

16 VALUE ADDED TAX

Value added taxation on revenue and expenditure transactions are recorded in the books of the Council on the accrual basis of accounting, However the South African Revenue Services has registered and permitted the municipality to use the payments basis for determining the monthly amounts due to or from the South African Revenue Services.

17 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

18 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

20 CHANGE IN ACCOUNTING POLICIES, ESTIMATE AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirement , to the extent that it is impracticable to determine the period end specific effect or the cumulative effect of the change in accounting policy.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of the change in estimate are disclosed in the notes to the annual financial statements where applicable.

Correction of error that are effected by management have been applied retrospectively in accordance with GRAP 3 requirement , to the extent that it is impracticable to determine the period end specific effect or the cumulative effect of the error. In such case the municipality will restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21 COMMITMENTS

The amount of capital commitments and other operating commitments contracted for at the reporting date, and which have not been recognised as liabilities are disclosed by way of note.

22 SUBSEQUENT EVENTS

The management defines two types of subsequent events as follows, the first type is the events or transactions that provide additional evidence about conditions that existed at the balance sheet date and provide evidence about conditions that did not exist at the balance sheet date but arose after such date.

HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	Note	GROUP		MUNICIPALITY	
		2010	2009	2010	2009
NET ASSETS AND LIABILITIES		R	R	R	R
Net Assets(Community Wealth)		845,652,328	795,139,621	843,372,430	794,025,669
Accumulated Surplus	1	402,773,643	317,427,672	400,493,744	316,313,719
Revaluation Reserve	1	413,840,156	417,814,450	413,840,156	417,814,450
Housing Development Fund	2	29,038,530	59,897,499	29,038,530	59,897,499
Non-Current Liabilities		50,564,173	50,260,638	50,564,173	50,260,638
Long Term Liabilities	4	13,951,343	21,615,444	13,951,343	21,615,444
Retirement Benefits	5	36,333,041	28,272,041	36,333,041	28,272,041
Long Service Awards and Retirement Gifts	6	279,789	373,153	279,789	373,153
Current Liabilities		213,977,867	249,514,505	213,976,528	249,291,613
Current Portion of Long -term Liabilities	4	5,578,010	5,012,312	5,578,010	5,012,312
Current Portion of Retirement Benefits	5	975,000	817,000	975,000	817,000

Current Portion of Long Service Awards and Retirement Gifts	6	437,401	583,360	437,401	583,360
Consumer Deposits	7	14,469,609	7,418,005	14,469,609	7,418,005
Trade Payables and Other Payables from Exchange Transactions	8	79,268,027	59,501,698	79,268,027	59,281,920
Provisions	9	29,486,470	24,893,307	29,486,470	24,893,307
Unspent Conditional Grants and Receipts	10	83,634,276	151,239,291	83,634,276	151,239,291
Operating Lease Liability	11	129,074	46,418	127,735	46,418
Bank Overdraft		-	3,114	-	-
Total Net Assets and Liabilities		1,110,194,368	1,094,914,763	1,107,913,131	1,093,577,919
ASSETS					
Non-Current Assets		821,146,933	781,181,983	821,107,312	781,124,023
Property, Plant and Equipment	12	745,660,363	677,738,821	745,629,606	677,680,861
Intangible Assets	13	843,638	1,064,254	834,774	1,064,254
Investment Property Carried at Fair Value	14	61,259,000	59,718,087	61,259,000	59,718,087
Housing Selling Units	2	46,892	13,389,329	46,892	13,389,329
Long- term Receivables	15	13,337,040	29,271,492	13,337,040	29,271,492
Current Assets		289,047,436	313,732,779	286,805,820	312,453,898
Current Portion of Long -term Receivables	15	1,062,207	3,930,417	1,062,207	3,930,417
Inventory	16	3,324,152	2,496,281	3,324,152	2,496,281
Trade and Other Receivables from Exchange Transactions	17	91,683,792	71,559,586	90,925,503	70,893,289
Short - term Investment Deposits	18	60,000,000	220,475,969	60,000,000	220,475,969
Bank and Cash Equivalents	19	132,977,285	15,270,526	131,493,957	14,657,942
Total Assets		1,110,194,369	1,094,914,762	1,107,913,131	1,093,577,921

HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

STATEMENT OF FINANCIAL PERFORMANCE

		GROUP		MUNICIPALITY	
	Note	2010	2009	2010	2009
		R	R	R	R
REVENUE					
Property Rates	20	211,263,526	200,525,408	211,263,526	200,525,410
Property Rates- Penalties and Collection Charges		69,933	56,959	69,933	56,959
Service Charges	21	85,474,434	62,002,538	85,474,434	62,002,538
Rental of Facilities and Equipment		2,168,011	1,935,631	2,168,011	1,935,631
Interest Earned:External Investments	22	11,311,897	15,460,695	11,311,897	15,460,695
Interest Earned:Outstanding Receivables	22	9,530,247	8,871,331	9,530,247	8,871,331
Interest Earned :Other		40,153	25,530	-	-
Fines		4,431,518	3,890,196	4,431,518	3,890,196
Licences and Permits		5,118,840	4,137,101	5,118,840	4,137,101
Income from Agency Services		2,916,056	2,623,417	2,916,056	2,623,417
Government Grants and Subsidies	23	157,818,980	79,840,991	155,704,089	78,844,204
Other Income	24	14,653,765	10,257,448	14,502,703	10,257,448

Gains on Disposal of Property, Plant and Equipment		10,295	-	10,295	-
Total Revenue		504,807,655	389,627,245	502,501,549	388,604,930
EXPENDITURE					
Employee Related Costs	25	194,553,950	156,390,807	193,210,760	155,556,998
Remuneration of Councillors	26	13,967,113	13,041,736	13,932,113	13,041,736
Contribution to Bad Debts	17	6,057,131	11,339,284	6,057,131	11,339,284
Long-term Debtors Written Off		3,462,868	-	3,462,868	-
Depreciation and Amortisation	27	42,495,555	26,477,756	42,477,216	26,464,061
Repairs and Maintenance		24,256,973	29,499,897	24,254,889	29,489,794
Interest Paid	28	1,834,975	2,479,931	1,834,975	2,479,931
Bulk Purchases	29	35,870,394	27,192,084	35,870,394	27,192,084
Contracted Services	34	16,438,765	17,652,472	16,438,765	17,652,472
Grants and Subsidies Paid		17,596,977	6,344,971	17,597,575	6,344,971
General Expenses	30	76,644,203	70,496,089	76,969,977	69,462,599
Audit Fees	31	2,336,506	1,874,695	2,268,588	1,820,557
Write Down of Obsolete Inventory	16	218,473	36,795	218,473	36,795
Contribution to Landfill Site Rehabilitation	9	3,140,000	2,573,680	3,140,000	2,573,680
Loss on Disposal of Property, Plant and Equipment		638,364	25,573	638,364	25,573
Debtors Discounting	17	704,381	14,506,474	704,381	14,506,474
Impairment Losses	32	70,399	148,549	70,399	148,549
Total Expenditure		440,287,027	380,080,793	439,146,868	378,135,558
SURPLUS FOR THE PERIOD		64,520,628	9,546,452	63,354,681	10,469,372
Refer to Appendix E(1) For Explanation of Variances					

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**HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

		GROUP		MUNICIPALITY	
	Note	2010 R	2009 R	2010 R	2009 R
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from Ratepayers, Government and Other		432,881,329	365,305,555	429,693,991	364,932,800
Cash paid to Suppliers and Employees		(363,096,994)	(243,738,471)	(360,740,246)	(246,175,777)
Cash generated from / (utilised in) Operations	33	69,784,335	121,567,084	68,953,746	118,757,023
Interest received	22	20,882,297	24,332,026	20,842,144	24,332,026
Interest paid	28	(1,834,975)	(2,479,931)	(1,834,975)	(2,479,931)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		88,831,657	143,419,179	87,960,915	140,609,118

CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	12	(108,633,015)	(71,875,906)	(108,633,015)	(71,828,249)
Proceeds from Sale of Assets		-	(25,573)	-	-
Expenditure on Investment Property	14	(1,540,913)	-	(1,540,913)	-
Purchase of Intangible Assets	13	(112,656)	-	(112,656)	-
Movements in Property, Plant and Equipment		(2,159,574)	-	(2,159,574)	
Decrease/(Increase) in Investments	18	160,475,969	(72,264,938)	160,475,969	(72,264,938)
Decrease / (Increase) in Long-term Receivables	15	18,802,662	6,155,924	18,802,662	6,889,936
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		66,832,473	(138,010,493)	66,832,473	(137,203,251)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans Repaid	4	(7,098,403)	(4,414,580)	(7,098,403)	(4,414,580)
Decrease in Housing Development Fund	2	(30,858,969)	-	(30,858,969)	-
Deferred Income Raised/(Realised)	3	-	(711,861)	-	(711,861)
Increase/(Decrease) in Consumer Deposits	7	-	250,885	-	250,885
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(37,957,372)	(4,875,556)	(37,957,372)	(4,875,556)
NET INCREASE/(DECREASE) IN BANK AND CASH EQUIVALENTS		117,706,759	533,130	116,836,016	(1,469,689)
Cash and Cash Equivalents at the beginning of the year	19	15,270,526	15,803,656	14,657,941	13,188,253
Cash and Cash Equivalents at the end of the year	19	132,977,285	15,270,526	131,493,957	14,657,941

HISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	GROUP		MUNICIPALITY	
	2010 R	2009 R	2010 R	2009 R
1. ACCUMULATED SURPLUS				
The Accumulated Surplus consists of the following Reserves:				
Capital Replacement Reserve (CRR)		26,961,788	26,789,830	26,961,788
Capitalisation Reserve	18,329,539	18,429,297	18,329,539	18,429,297
Donations and Public Contributions Reserve		3,018,235	3,773,059	3,018,235
Government Grant Reserve	216,303,381	134,440,189	216,303,381	134,440,189
Accumulated Surplus / (Deficit) due to the results of Operations		138,160,700	133,995,296	135,880,801
Revaluation Reserve	413,840,156	417,814,450	413,840,156	417,814,450
Total Accumulated	816,613,799	735,242,122		

Surplus**814,333,900 734,128,170**

Accumulated Surplus has been restated to adhere to provisions of GRAP 9, in acquiring for assets obtained from Government Grants. Refer to note 43 on "Change in Accounting Policy" for details of restatement.

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grant Reserve** equals the carrying amount of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures community wealth.

2. HOUSING DEVELOPMENT FUND

Housing Development Fund represented by:

Debtors	-	18,850,824	-	18,850,824
Housing Inventory	46,892	13,389,329	46,892	13,389,329
Housing Investments	28,991,638	34,190,607	28,991,638	34,190,607
Capital expenditure for the year		-	(6,533,261)	(6,533,261)
Total Housing Development Fund		29,038,530	59,897,499	29,038,530 59,897,499

The **Housing Development Fund** has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter.

3 DEFERRED REVENUE

Deferred Revenue has been restated to adhere to the provisions of GRAP 9, in accounting for assets acquired from Government Grants. Refer to note 43 on "Change in Accounting Policy" for the details of restatement.

4 LONG TERM LIABILITIES

Local Registered Stock

Loans	150,000	150,000	150,000	150,000	
Annuity					
Loans	18,644,707	24,725,566	18,644,707	24,725,566	
Long term Loans - Capitalised Lease liabilities		576,592	1,752,189	576,592	1,752,189
Sub-Total	19,371,299	26,627,755	19,371,299	26,627,755	
Less : Current portion transferred to current liabilities		5,578,010	5,012,312	5,578,010	5,012,312
Local Registered Stock Loans		150,000	150,000	150,000	150,000
Annuity Loans	4,851,418	3,784,263	4,851,418	3,784,263	
Capitalised					
Leases	576,592	1,078,049	576,592	1,078,049	
Total Long-Term Liabilities	13,793,289	21,615,444	13,793,289	21,615,444	

4.1 Summary of Arrangements

Annuity Loans

Bear interest at rates between 13.47% and 20.25% per annum, are being redeemed in monthly instalments, inclusive of interest, over varying periods until 2017. Annuity loans are not secured.

Capitalised Lease Liabilities

Capitalised Lease Liabilities relates to Vehicles with lease terms of 5 or 10 (2008: 5 or 10) years. The effective interest rate on Finance Leases is between 11.5% and 12.93% (2008: 10.21 to 11.53%). Capitalised Lease Liabilities are secured over the items of vehicles leased.

Fair Value Impairments

The management of the municipality is of the opinion that the carrying value of Long term liabilities approximates their fair value. Long term loans are recorded at the actual liability to loan creditors. No impairment, if any has been necessary as redemptions have been made in accordance with loan agreements and interest rates are in accordance with market rates at the time of receiving the funding.

4.2 Obligations under Finance Leases

The Municipality as Lessee:

Finance Leases relate to Property, Plant and Equipment with lease terms not more than 5 years.

The risks and rewards of ownership in respect of the Property, Plant and Equipment will transfer to the municipality at the conclusion of the agreement.

The municipality's obligations under Finance Leases are secured by the lessors title to the leased assets.

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2010 R	2009 R	2010 R	2009 R
Within one year	576,592	1,228,321	576,592	1,228,321
In the second to fifth years, inclusive	-	576,592	-	576,592
Over five years	-	-	-	-
	576,592	1,804,913	576,592	1,804,913
Less: Future Finance Obligations	-	52,724	-	52,724
Present Value of the Minimum Lease Obligations	576,592	1,752,189	576,592	1,752,189

The municipality has finance lease agreements for the following significant class of assets:

- Vehicles

5. RETIREMENT BENEFIT LIABILITIES

GROUP

MUNICIPALITY

Post Retirement Medical Aid Benefits Liability

Balance at beginning of Year	29,089,000	27,707,869	29,089,000	27,707,869
Contributions to Provision	8,219,041	1,381,172	8,219,041	1,381,172
Increase due to Discounting	-	-	-	-
Expenditure incurred	-	-	-	-
Reduction due to Re-measurement	-	-	-	-
Balance at end of Year	37,308,041	29,089,041	37,308,041	29,089,041
Transfer to Current Provisions	-	(975,000)	(817,000)	(975,000) (817,000)
Total Post-retirement Medical Aid Benefits Liability	36,333,041	28,272,041	36,333,041	28,272,041

The municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2010 by Independent Actuarial Consultants, Fellow of the Faculty of Actuaries and Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Medical Aid Benefit Plan are made up as follows:

In-service Members (Employees)	402	377	402	377
Continuation Members (Retirees, widowers and orphans)	77	73	77	73
Total Members	479	450	479	450

The liability in respect of past service has been estimated as follows (R million):

In-service Members	17,167,796	12,587,472	17,167,796	12,587,472
Continuation Members	20,140,241	16,501,569	20,140,241	16,501,569
Total Liability	37,308,037	29,089,041	37,308,037	29,089,041

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Global Health
- LA Health
- Samwumed

The Future-service Cost for the ensuing year is estimated to be R1 643 000, whereas the interest cost for the year after is estimated to be R3373 000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	9.04%	8.90%	9.04%	8.90%
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Health Care Cost Inflation Rate		5.40%	7.30%	5.40%	7.30%
Net Effective Discount Rate	1.53%	1.50%	1.53%	1.50%	
Expected Retirement Age	65	65	65	65	

The amounts recognised in the Statement of Financial Position are as follows:

Present value of unfunded obligations	37,308,037	29,089,041	37,308,037	29,089,041
Fair value of plan assets	-	-	-	-
Unrecognised past-service cost	-	-	-	-
Unrecognised actuarial gains / (losses)	-	-	-	-
Restrictions on asset recognized	-	-	-	-
Fair value of reimbursement rights recognised	-	-	-	-
Total Benefit Liability	37,308,037	29,089,041	37,308,037	29,089,041

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	1,137,000	975,000	1,137,000	975,000
Interest cost	2,589,000	2,944,944	2,589,000	2,944,944
Expected return on plan assets	-	-	-	-
Expected return on reimbursement rights	-	-	-	-
Actuarial losses / (gains)	5,310,000	(1,269,772)	5,310,000	(1,269,772)
Vested past service costs	-	-	-	-
Losses / (Gains) arising from curtailments or settlements	-	-	-	-
Adjustments for restrictions on the defined benefit asset	-	-	-	-
Total Post-retirement Benefit included in Employee Related Costs	9,036,000	2,650,172	9,036,000	2,650,172

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	29,089,041	27,707,869	29,089,041	27,707,869
Current service costs	1,137,000	975,000	1,137,000	975,000
Interest cost	2,589,000	2,944,944	2,589,000	2,944,944
Contributions from plan participants	-	-	-	-
Past-service costs	-	-	-	-

Benefits paid	(817,000)	(1,269,000)	(817,000)	(1,269,000)	
Actuarial losses / (gains) recognized		5,310,000	(1,269,772)	5,310,000	(1,269,772)
Losses / (gains) on curtailments		-	-	-	-
Liabilities extinguished on settlements		-	-	-	-

Present Value of Fund Obligation at the end of the Year

37,308,041	29,089,041	37,308,041	29,089,041
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Movements in the present value of the Defined Benefit Assets were as follows:

Balance at the beginning of the year			-	-
Expected return on plan assets			-	-
Contributions from the employer	817,000	1,269,000	817,000	1,269,000
Contributions from plan participants	-	-	-	-
Past-service costs	-	-	-	-
Benefits paid	(817,000)	(1,269,000)	(817,000)	(1,269,000)
Actuarial gains / (losses)	-	-	-	-
Assets distributed on settlements		-	-	-

Balance at the end of the year

-	-	-	-
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The history of experienced adjustments is as follows:

	2010	2009	2008	2007	2006
	R	R	R	R	R
Present Value of Defined Benefit Obligation	37,308,041	29,089,041	27,707,869	20,997,996	20,497,871
Fair Value of Plan Assets	-	-	-	-	-

Deficit	37,308,041	29,089,041	27,707,869	20,997,996	20,497,871
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Experienced adjustments on Plan Liabilities	5,310,000	(1,269,772)	-	-
Experienced adjustments on Plan Assets	-	-	-	-

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:

Effect on the aggregate of the current service cost and the interest cost	2,032,000	1,431,000	2,032,000	1,431,000
Effect on the defined benefit obligation	43,309,000	33,857,000	43,309,000	33,857,000

Decrease:

Effect on the aggregate of the current service cost and the interest cost	1,347,000	913,000	1,347,000	913,000
Effect on the defined benefit obligation	32,444,000	25,236,000	32,444,000	25,236,000

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2010 in terms of IAS 19, *Employee Benefits*, paragraph 155(a). The municipality has elected to recognise the full increase in this Defined Benefit Liability immediately, thus the full transitional liability have been recognised as at 30 June 2010.

6. LONG SERVICE AWARDS AND RETIREMENT GIFTS LIABILITY		GROUP		MUNICIPALITY	
Balance at beginning of year	373,245	1,279,607	373,245	1,279,607	
Contributions to Provision	343,853	(323,094)	343,853	(323,094)	
Increase due to Discounting	-	-	-	-	
Expenditure incurred	-	-	-	-	
Reduction due to Re-measurement		-		-	
Balance at end of Year	717,098	956,513	717,098	956,513	
Transfer to Current Provisions		(437,401)	(583,360)	(437,401)	(583,360)
Total Long Service Awards and Retirement Gifts Liability		279,789	373,153	279,789	373,153

The Council offers employees leave awards that may be exchanged for cash on certain anniversaries of commencing service and a retirement gift determined by reference to length of service.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2010 by Independent Actuarial Consultants, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The employees eligible for long service awards are made up as

follows:

Male	53	75	53	75
Female	31	28	31	28
Total Members	84	103	84	103

The Future-service Cost for the ensuing year is estimated to be R48 547, whereas the interest cost for the year after is estimated to be R64 834 .

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	8.90%	10.97%	8.90%	10.97%	
General Salary Inflation (long term)		5.30%	9.03%	5.30%	9.03%
Net Effective Discount Rate	2.45%	1.78%	2.45%	1.78%	
Expected Retirement Age	65	65	65	65	

The amounts recognised in the Statement of Financial Position are as follows:

Present value of unfunded obligations	717,098	956,513	717,098	956,513
Fair value of plan assets	-	-	-	-
Unrecognised past-service cost	-	-	-	-
Unrecognised actuarial gains / (losses)	-	-	-	-
Restrictions on asset recognized	-	-	-	-
Fair value of reimbursement rights recognized	-	-	-	-
Total Benefit Liability	717,098	956,513	717,098	956,513

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	65,696	47,791	65,696	47,791
Interest cost	85,130	111,697	85,130	111,697
Expected return on plan assets	-	-	-	-
Expected return on reimbursement rights	-	-	-	-
Actuarial losses / (gains)	193,211	256,725	193,211	256,725
Vested past service costs	-	-	-	-

Losses / (Gains) arising from curtailments or settlements	-	-	-	-
Adjustments for restrictions on the defined benefit asset	-	-	-	-

Total Post-retirement Benefit included in Employee Related Costs

344,037	416,213	344,037	416,213
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Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	956,513	1,279,607	956,513	1,279,607
Current service costs	65,696	47,791	65,696	47,791
Interest cost	85,130	111,697	85,130	111,697
Contributions from plan participants	-	-	-	-
Past-service costs	-	-	-	-
Benefits paid	(583,360)	(739,307)	(583,360)	(739,307)
Actuarial losses / (gains) recognized	193,211	256,725	193,211	256,725
Losses / (gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-

Present Value of Fund Obligation at the end of the Year

717,190	956,513	717,190	956,513
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Movements in the present value of plan assets were as follows:

Balance at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions from the employer	583,360	739,307	583,360	739,307
Contributions from plan participants	-	-	-	-
Past-service costs	-	-	-	-
Benefits paid	(583,360)	(739,307)	(583,360)	(739,307)
Actuarial gains / (losses)	-	-	-	-
Assets distributed on settlements	-	-	-	-

Balance at the end of the year

-	-	-	-
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The history of experienced adjustments is as follows:

	2010 R	2009 R	2008 R	2007 R	2006 R
Present Value of Obligation	717,190	956,513	1,279,607	5,616,732	-
Fair Value of Plan Assets	-	-	-	-	-
Deficit	717,190	956,513	1,279,607	5,616,732	-
Experienced adjustments on Plan Liabilities	193,211	256,725	-	-	-
Experienced adjustments on Plan Assets	-	-	-	-	-

The effect of a 1% movement in the assumed rate of general salary inflation is as follows:

Increase:

Effect on the aggregate of the current service cost and the interest cost	70,250	71,347	70,250	71,347
Effect on the defined benefit obligation	777,098	1,035,975	777,098	1,035,975

Decrease:

Effect on the aggregate of the current service cost and the interest cost	59,931	60,607	59,931	60,607
Effect on the defined benefit obligation	662,957	884,608	662,957	884,608

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2010 in terms of IAS 19, *Employee Benefits*, paragraph 155(a). The municipality has elected to recognise the full increase in this Defined Benefit Liability immediately, thus the full transitional liability has been recognised as at 30 June 2010.

**7. CONSUMER
DEPOSITS**

Consumer Deposits	14,469,609	7,418,005	14,469,609	7,418,005
Total Consumer Deposits	14,469,609	7,418,005	14,469,609	7,418,005

Guarantees held in lieu of electricity deposits	1,299,712	1,000,632	1,299,712	1,000,632
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No interest is paid on consumer
deposits held

8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade and Other Payables from Exchange Transactions		1,665,723	4,874,552	1,241,822	4,264,505
Deposits - other	7,079,120	12,779,863	7,079,120	12,779,863	
Accruals	15,209,255	1,339,776	15,209,255	1,730,045	
Retentions Southbroom/Ramsgate	15,221,216	7,748,551	15,221,216	7,748,551	
UIP	299,890	830,352	299,890	830,352	
Payments received in advance - Trade Receivables		18,188,578	17,378,566	18,188,578	17,378,566
Outstanding cheques at end of the year		22,028,146	14,550,038	22,028,146	14,550,038
Total Trade and Other Payables		79,691,928	59,501,698	79,268,027	59,281,920

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of invoice. The municipalities has financial risk policies in place to ensure that all payables are paid within the credit time frame.

8.1. BANK OVERDRAFT

ABSA	-	3,114	-	-
Total Bank Overdraft	-	3,114	-	-

The overdraft on the ABSA credit card was due to a transaction incurred for the month of June 2007. This amount was settled by ABSA Business Account on 03 July 2007

9. PROVISIONS

	GROUP		MUNICIPALITY	
Staff leave	10,116,670	8,663,507	10,116,670	8,663,507
Landfill Site Rehabilitation	19,369,800	16,229,800	19,369,800	16,229,800
Total Provisions	29,486,470	24,893,307	29,486,470	24,893,307

Staff leave accrue to the staff on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

The best estimate for **Rehabilitation of Landfill Site** has been determined by the Environmental Engineers (SSI Engineers).The provision is based on the present value at the Statement of Financial Position date.

The movement in current provision can be reconciled as follows:

30 June 2010

	Landfill Site R	Staff Leave R	Landfill Site R	Staff Leave R
Balance at beginning of year	16,229,800	8,663,507	16,229,800	8,663,507
Contribution to provision	3,140,000	1,453,163	3,140,000	1,453,163
Expenditure incurred	-	-	-	-
Balance at end of year	19,369,800	10,116,670	19,369,800	10,116,670

30 June 2009

Balance at beginning of year	13,656,120	8,743,598	13,656,120	8,743,598
Adjustments to provision	-	(80,091)	-	(80,091)
Contribution to provision	2,573,680	-	2,573,680	-
Balance at end of year	16,229,800	8,663,507	16,229,800	8,663,507

10. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

10.1 Conditional Grants from Other Spheres of Government

	79,988,662	150,036,892	79,988,662	150,036,892
MIG grants	56,243,375	66,968,845	56,243,375	66,968,845
Housing grants	19,937,414	19,303,286	19,937,414	19,303,286
Finance management grants	349,461	426,086	349,461	426,086
Disaster management grant	3,058,413	62,938,675	3,058,413	62,938,675
Credit management grant	400,000	400,000	400,000	400,000

10.2 Other Conditional Receipts

	3,645,614	1,202,399	3,645,614	1,202,399
Other Grants	3,645,614	1,202,399	3,645,614	1,202,399

Total Unspent Conditional Grants and Receipts	83,634,276	151,239,291	83,634,276	151,239,291
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See Note 23 for the reconciliation of Grants from Other Spheres of Government

Refer to Appendix "F" for more details on Conditional Grants

11 OPERATING LEASE LIABILITIES / PAYABLES

Operating Leases are recognised on a straight line basis as required by GRAP 13 .
The following Operating Lease Liabilities have been recognised:

Balance at Beginning of year	49,096	198,135	46,418	195,457	
Operating Lease expenses recorded		883,053	341,913	797,356	341,913
Operating Lease payments effected		(803,075)	(490,952)	(716,039)	(490,952)
Total Operating Lease Liabilities		129,074	49,096	127,735	46,418

11.1 Leasing Arrangements

The Municipality as Lessee

Operating Leases relates to property, plant and equipment with lease term no longer than 5 years, with an option to extend for further period. The municipality does not have an option to purchase the leased asset at the end of the lease term.

11.2 Amount payable under Operating Leases

At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:

Within one year	6,165,497	9,769,375	6,136,039	9,683,679
Later than one year	7,376,306	14,327,704	7,376,306	14,298,246
Later than five years	-	-	-	-

Total Operating Lease Arrangement	13,541,803	24,097,079	13,512,345	23,981,925
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Operating Lease payments represent rentals payable by the municipality for properties and equipment

The lease was negotiated for periods ranging from 36 months to 119 months. The rentals escalate between 8% and 11%. No contingent rent is payable.

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HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY

Details	Housing Development Fund	Revaluation Reserve	Accumulated Surplus/(Deficit) Account	Total
	R	R		R
2009				
Balance at 30 June 2008	59,598,180	435,727,255	128,265,149	623,590,584
Change in Accounting Policy (Note 43)	-	-	135,152,050	135,152,050
GRAP 17 Adjustments(Note 44)	-	-	36,044,636	36,044,636
Restated balance	59,598,180	435,727,255	299,461,835	794,787,270
Surplus/(Deficit) for the year	(2,091,304)	-	10,469,372	8,378,068
Offsetting of Depreciation	-	(5,929,515)	5,929,515	-
PPE Purchased	(6,533,261)	-	-	(6,533,261)
Grants utilised to obtain PPE	-	-	-	-
Accounting for Housing Sundry Debtors	5,529,593	-	(5,529,593)	-
Transfer of Interest on Housing Investments	3,394,291	-	(3,394,291)	-
Disposal of Assets	-	(11,983,290)	8,716,987	(3,266,302)
Contribution to Reserves	-	-	-	-
Balance at 30 June 2009	59,897,499	417,814,450	315,653,825	793,365,774
2010				
Restated Balance	59,897,499	417,814,450	315,653,825	793,365,774
Surplus/(Deficit) for the year	-	-	63,354,681	63,354,681
Offsetting of Depreciation	-	(3,974,294)	3,974,294	-
PPE Purchased	-	-	-	-
Transfer of interest on Housing Investments	1,834,778	-	-	1,834,778
Contribution to Reserves	-	-	-	-
Grants/ Donations utilised to Obtain PPE	-	-	-	-

Transfers from Housing Development Fund	(32,693,747)	-	-	(32,693,747)
Disposal of Assets	-	-	-	-
Other movements	-	-	16,851,048	16,851,048
Balance at 30 June 2010	29,038,530	413,840,156	399,833,848	842,712,534

HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010

GROUP

Details	Housing Development Fund	Revaluation Reserve	Accumulated Surplus/(Deficit) Account	Total
	R	R		R
2009				
Balance at 30 June 2008	59,598,180	435,727,255	130,964,594	626,290,029
Change in Accounting Policy (Note 43)	-	-	135,152,050	135,152,050
GRAP 17 Adjustments (Note 44)	-	-	36,044,636	36,044,636
Prior Period Error (Note 45)	-	-	-	(2,678)
Restated balance	59,598,180	435,727,255	302,161,280	797,484,037
Surplus for the year	(2,091,304)	-	9,546,452	7,455,148
Offsetting of Depreciation	-	(5,929,515)	5,929,515	-
Property, Plant and Equipment Purchased	(6,533,261)	-	-	(6,533,261)
Grants utilised to obtain PPE	-	-	-	-
Account for Housing Sundry Debtors	5,529,593	-	(5,529,593)	-
Transfer of Interest on Housing Investments	3,394,291	-	(3,394,291)	-
Disposal of Assets	-	(11,983,290)	8,716,987	(3,266,303)
Contributions to Reserves	-	-	-	-
Balance at 30 June 2009	59,897,499	417,814,450	317,430,349	795,139,620
2010				

Restated Balance	59,897,499	417,814,450	317,430,349	795,139,620
Surplus for the year	-	-	64,520,628	64,520,628
Offsetting of Depreciation	-	(3,974,294)	3,974,294	-
Property, Plant and Equipment Purchased	-	-	-	-
Transfer of Interest on HDF	1,834,778	-	-	1,834,778
Contributions to Reserves	-	-	-	-
Grants/Donations used to Obtain PPE	-	-	-	-
Transfer from HDF	(32,693,747)	-	-	(32,693,747)
Disposal of Assets	-	-	-	-
Other Movements	-	-	16,851,048	16,851,048
Balance at 30 June 2010	29,038,530	413,840,156	402,776,320	845,652,328

HIBISCUS
COAST
MUNICIPALITY AND ITS
MUNICIPAL
ENTITY

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT-
MUNICIPALITY

30 June 2010

Reconciliation of Carrying
Amount

Description	Land and Buildings	Infra-structure	Community	Other	Heritage	Capitalised Leased Assets	Housing Schemes	Total
Carrying values at 01 July 2009	337,365,203	218,426,480	75,677,436	27,260,752	213,006	1,981,472	16,756,512	677,680,861
Cost	31,779,074	275,159,061	72,605,924	78,847,828	231,106	9,776,426	24,185,589	492,585,008
- Completed Assets	31,688,974	223,007,151	66,823,653	78,645,940	231,106	9,776,426	23,002,810	433,176,060
- Under Construction	90,100	52,151,910	5,782,271	201,888	-	-	1,182,779	59,408,948
GRAP 17 Adjustments	34,595,098	(1,176,480)	20,648,888	845,399	-	-	-	54,912,905
GRAP 17 Adjustments Prior Period	(35,295,520)	1,062,640	(20,648,888)	(82,614)	-	-	-	(54,964,382)
Depreciation Adjustment	250,118	-	3,104,966	(996,784)	18,100	-	(165,349)	2,211,051
Revaluation	316,556,624	22,677,984	26,353,407	-	-	-	-	365,588,015
Reclassification								
Accumulated Depreciation:	(10,970,495)	(79,410,565)	(23,281,895)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(180,492,162)
- Cost	(6,976,370)	(70,736,917)	(19,822,433)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(164,364,927)
- Revaluation	(3,994,125)	(8,673,648)	(3,459,462)	-	-	-	-	(16,127,235)

Acquisitions	67,748	78,442,116	17,466,406	4,338,068	25,980	-	-	100,340,318
Capital under Construction – Additions	1,400,000	6,413,415	479,282	-	-	-	-	8,292,697
Reversals of Impairment Losses								
Depreciation:	4,815,247	24,161,541	4,648,777	6,632,072	-	1,092,002	838,210	42,187,849
- Based on Cost	223,606	24,161,541	4,648,777	6,632,072	-	1,092,002	838,210	37,596,208
- Based on Revaluation	4,591,641	-	-	-	-	-	-	4,591,641
Impairment Losses	-	-	-	17,631	-	-	-	17,631
Other Movements: Disposals	-	-	-	(638,364)	-	-	-	(638,364)
- Cost		(114,591)	-	(15,993,703)	-	-	-	(16,108,294)
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses								
- Accumulated Depreciation	-	114,591	-	15,355,339	-	-	-	15,469,930
- Based on Cost	-	114,591	-	15,355,339	-	-	-	15,469,930
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 01 July 2010	333,567,400	279,006,630	92,079,313	24,076,754	257,086	889,470	15,752,953	745,629,606
Cost	67,841,920	358,723,521	111,200,500	68,037,592	257,086	9,776,426	24,185,589	640,022,634
- Completed Assets	66,351,820	300,158,196	104,938,947	67,835,704	257,086	9,776,426	23,002,810	572,320,989
- Under Construction	1,490,100	58,565,325	6,261,553	201,888	-	-	1,182,779	67,701,645
Revaluation	316,556,624	22,677,984	26,353,407	-	-	-	-	365,588,015
Accumulated impairment:	-	-	-	17,631	-	-	-	17,631
Accumulated Depreciation:	50,831,144	102,394,875	45,474,594	43,943,207	-	8,886,956	8,432,636	259,963,412
- Cost	42,245,378	93,721,227	42,015,132	43,943,207	-	8,886,956	8,432,636	239,244,536
- Revaluation	8,585,766	8,673,648	3,459,462	-	-	-	-	20,718,876

30 June 2009

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Other	Heritage	Capitalised Leased Assets	Housing Schemes	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 July 2008	351,905,987	134,642,318	69,105,375	30,040,370	234,646	3,073,474	17,560,843	606,563,013
Cost	32,253,726	174,662,214	62,809,342	79,306,849	234,646	9,776,426	24,186,254	383,229,458
- Completed Assets	32,253,726	169,907,482	62,438,086	79,306,849	234,646	9,776,426	23,003,475	376,920,690
- Under Construction	-	4,754,732	371,257	-	-	-	1,182,779	6,308,768
Revaluation	327,031,030	22,677,984	26,353,407	-	-	-	-	376,062,421
Transfers				(759,586)	-	-	-	(759,586)
Reclassification	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(7,378,769)	(62,697,880)	(20,057,374)	(48,506,893)	-	(6,702,952)	(6,625,411)	(151,969,280)
- Cost	(6,381,683)	(55,009,375)	(17,476,359)	(48,506,893)	-	(6,702,952)	(6,625,411)	(140,702,674)
- Revaluation	(997,086)	(7,688,505)	(2,581,015)	-	-	-	-	(11,266,606)
Acquisitions	95,974	9,669,819	4,431,602	4,530,673	-	-	-	18,728,068
Capital under Construction – Additions	90,100	47,397,179	5,411,014	201,888	-	-	-	53,100,180
Increases in Revaluation				-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(3,635,083)	(9,299,119)	(3,256,291)	(6,873,634)	(18,100)	(1,092,002)	(803,856)	(24,978,084)
- Based on Cost	(638,044)	(8,313,976)	(2,377,844)	(6,873,634)	(18,100)	(1,092,002)	(803,856)	(20,117,455)
- Based on Revaluation	(2,997,039)	(985,143)	(878,447)					(4,860,628)
Carrying value of Disposals:	(11,091,775)	(28,352)	(14,265)	(638,545)	(3,540)	-	(475)	(11,776,953)
- Cost	(660,726)	(97,839)	(46,035)	(4,431,996)	(3,540)		(665)	(5,240,801)
- Revaluation	(10,474,406)						-	(10,474,406)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	43,357	69,487	31,770	3,793,451	-	-	190	3,938,254
- Based on Cost	43,357	69,487	31,770	3,793,451	-	-	190	3,938,254
- Based on Revaluation	-	-	-	-	-	-	-	-

Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Carrying values at 30 June 2009	336,663,578	218,426,481	75,677,435	27,260,752	213,006	1,981,472	16,756,512	676,979,236
Cost	31,077,449	231,631,373	72,605,923	79,607,414	231,106	9,776,426	24,185,589	449,115,280
- Completed Assets	30,987,349	179,479,463	66,823,653	79,405,526	231,106	9,776,426	23,002,810	389,706,332
- Under Construction	90,100	52,151,910	5,782,271	201,888	-	-	1,182,779	59,408,948
Revaluation	316,556,624	22,677,984	26,353,407	-	-	-	-	365,588,015
GRAP 17 Adjustment	-	36,044,636	-	-	-	-	-	36,044,636
Transfers	-	-	-	(759,586)	-	-	-	(759,586)
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(10,970,495)	(71,927,512)	(23,281,895)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(173,009,109)
- Cost	(6,976,370)	(63,253,865)	(19,822,433)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(156,881,875)
- Revaluation	(3,994,125)	(8,673,648)	(3,459,462)	-	-	-	-	(16,127,234)

PROPERTY, PLANT AND EQUIPMENT-GROUP

30 June 2010

Reconciliation of Carrying Amount

Description	Land and Buildings	Infra-structure	Community	Other	Heritage	Capitalised Leased Assets	Housing Schemes	Total
Carrying values at 01 July 2009	337,365,203	218,426,480	75,677,436	27,318,712	213,006	1,981,472	16,756,512	677,738,821
Cost	31,779,074	275,159,061	72,605,924	78,905,788	231,106	9,776,426	24,185,589	492,642,968
- Completed Assets	31,688,974	223,007,151	66,823,653	78,703,900	231,106	9,776,426	23,002,810	433,234,020
- Under Construction	90,100	52,151,910	5,782,271	201,888	-	-	1,182,779	59,408,948
GRAP 17 Adjustments	35,978,746	1,176,480	20,648,888	845,399	-	-	-	58,649,513
GRAP 17 Adjustments	(35,295,520)	(1,062,640)	(20,648,888)	(82,614)	-	-	-	(57,089,662)
Prior Period Depreciation Adjustment	250,118	-	3,104,966	(996,784)	18,100	-	(165,349)	2,211,051
Revaluation	316,556,624	22,677,984	26,353,407	-	-	-	-	365,588,015
Reclassification	-	-	-	-	-	-	-	-

Accumulated Depreciation:	(10,970,495)	(79,410,565)	(23,281,895)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(180,492,162)
- Cost	(6,976,370)	(70,736,917)	(19,822,433)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(164,364,927)
- Revaluation	(3,994,125)	(8,673,648)	(3,459,462)	-	-	-	-	(16,127,235)
Acquisitions	67,748	78,442,116	17,466,406	4,338,068	25,980	-	-	100,340,318
Capital under Construction -								
Additions	1,400,000	6,413,415	479,282	-	-	-	-	8,292,697
Increases/(Decrease) in Revaluation	1,383,648	-	-	-	-	-	-	1,383,648
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	4,815,247	24,161,541	4,648,777	6,632,072	-	1,092,002	838,210	42,187,849
- Based on Cost	223,606	24,161,541	4,648,777	6,632,072	-	1,092,002	838,210	37,596,208
- Based on Revaluation	4,591,641	-	-	-	-	-	-	4,591,641
Impairment Losses	-	-	-	17,631	-	-	-	17,631
Capital under Construction -								
Additions	1,400,000	38,666,820	479,282	201,888	-	-	1,182,779	41,930,769
Other Movements: Disposals	-	-	-	638,364	-	-	-	638,364
- Cost	-	114,591	-	15,993,703	-	-	-	16,108,294
- Revaluation	-	-	-	-	-	-	-	-
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	-	114,591	-	15,355,339	-	-	-	15,469,930
- Based on Cost	-	114,591	-	15,355,339	-	-	-	15,469,930
- Based on Revaluation	-	-	-	-	-	-	-	-
Carrying values at 01 July 2010	333,567,400	279,006,630	92,079,313	24,125,142	257,086	889,470	15,752,953	745,660,363
Cost	69,225,568	358,723,521	111,200,500	68,068,349	257,086	9,776,426	24,185,589	641,437,039
- Completed Assets	67,735,468	300,158,196	104,938,947	67,866,461	257,086	9,776,426	23,002,810	573,735,394
- Under Construction	1,490,100	58,565,325	6,261,553	201,888	-	-	1,182,779	67,701,645
Revaluation	315,172,976	22,677,984	26,353,407	-	-	-	-	364,204,367
Accumulated impairment:				17,631				17,631
Accumulated Depreciation:	(50,831,144)	(102,394,875)	(45,474,594)	(43,943,207)	-	(8,886,956)	(8,432,636)	(259,963,412)
- Cost	(42,245,378)	(93,721,227)	(42,015,132)	(43,943,207)	-	(8,886,956)	(8,432,636)	(239,244,536)
- Revaluation	(8,585,766)	(8,673,648)	(3,459,462)	-	-	-	-	(20,718,876)

30 June 2009

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-Structure	Community	Other	Heritage	Capitalised Leased Assets	Housing Schemes	Total
	R	R	R	R	R	R	R	R
Carrying values at 01 July 2008	351,905,987	134,642,318	69,105,376	30,799,956	234,646	3,073,474	17,560,843	607,322,600
Cost	32,253,726	174,662,214	62,809,343	79,306,849	234,646	9,776,426	24,186,254	383,229,458
- Completed Assets	32,253,726	169,907,482	62,438,086	79,306,849	234,646	9,776,426	23,003,475	376,920,690
- Under Construction	-	4,754,732	371,257	-	-	-	1,182,779	6,308,768
Revaluation	327,031,030	22,677,984	26,353,407	-	-	-	-	376,062,421
Reclassification	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(7,378,769)	(62,697,880)	(20,057,374)	(48,506,893)	-	(6,702,952)	(6,625,411)	(138,718,457)
- Cost	(6,381,683)	(55,009,375)	(17,476,359)	(48,506,893)	-	(6,702,952)	6,625,411	(127,451,851)
- Revaluation	(997,086)	(7,688,505)	(2,581,015)	-	-	-	-	(11,266,606)
Acquisitions	95,974	9,669,819	4,431,602	4,530,673	-	-	-	18,728,068
Capital under Construction - Additions	90,100	47,397,179	5,411,014	201,888	-	-	-	53,100,180
Increases in Revaluation	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-
Depreciation:	(3,635,083)	(9,299,119)	(3,256,291)	(6,873,634)	(18,100)	(1,092,002)	(803,856)	(24,978,084)
- Based on Cost	(638,044)	(8,313,976)	(2,377,844)	(6,873,634)	(18,100)	(1,092,002)	(803,856)	(20,117,455)
- Based on Revaluation	(2,997,039)	(985,143)	(878,447)	-	-	-	-	(4,860,628)
Carrying value of Disposals:	(11,091,775)	(28,352)	(14,265)	(638,545)	(3,540)	-	(475)	(11,776,953)
- Cost	(660,726)	(97,839)	(46,035)	(4,431,996)	(3,540)	-	(665)	(5,240,801)
- Revaluation	(10,474,406)	-	-	-	-	-	-	(10,474,406)
- Accumulated Impairment Losses	-	-	-	-	-	-	-	-
- Accumulated Depreciation	43,357	69,487	31,770	3,793,451	-	-	190	3,938,254
- Based on Cost	43,357	69,487	31,770	3,793,451	-	-	190	3,938,254
- Based on Revaluation	-	-	-	-	-	-	-	-
Decreases in Revaluation	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-
Carrying values at 30 June 2009	337,365,203	218,426,481	75,677,436	27,318,711	213,006	1,981,472	16,756,512	677,738,821

Cost	31,779,074	275,159,062	72,605,924	78,905,787	231,106	9,776,426	24,185,589	492,642,967
- Completed Assets	31,688,974	223,007,151	66,823,653	78,703,899	231,106	9,776,426	23,002,810	433,234,019
- Under Construction	90,100	52,151,911	5,782,271	201,888	-	-	1,182,779	59,408,948
Revaluation	316,556,624	22,677,984	26,353,407	-	-	-	-	365,588,015
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Accumulated Depreciation:	(10,970,495)	(79,410,565)	(23,281,895)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(180,492,161)
- Cost	(6,976,370)	(70,736,917)	(19,822,433)	(51,587,076)	(18,100)	(7,794,954)	(7,429,077)	(164,364,927)
- Revaluation	(3,994,125)	(8,673,648)	(3,459,462)	-	-	-	-	(16,127,234)

HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

MUNICIPALITY

12.1 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use:

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

12.2 Impairment on Property Plant and Equipment

Impairment of Property, Plant and Equipment was taken into consideration by PriceWaterHouseCoopers, during the process of identifying, componentising and measuring immovable assets.

12.3 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed:

The Remaining Useful Life of property, plant and equipment was taken into consideration by PriceWaterhouseCoopers, during the process of identifying, componentising and measuring immovable assets. The amounts for Change in Useful Life were not calculated separately and therefore no changes in values are disclosed.

13

. INTANGIBLE ASSETS

	Intangible Assets R	Total R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses		834,774 834,774

The movement in Intangible Assets is reconciled as follows:

Carrying amount at 30 June 2009

	966,785	966,785
Gross Carrying Amount	2,251,372	2,251,372
Accumulated Amortisation	(1,284,587)	(1,284,587)

Additions	112,656	112,656
Amortisation during the Year	(289,367)	(386,835)
Impairment Losses	(52,768)	(52,768)

Disposals during the Year:	-	-
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Carrying amount at 30 June 2010

	834,774	834,774
Gross Carrying Amount	2,311,260	2,311,260
Accumulated Amortisation	(1,476,486)	(1,573,954)

Carrying amount at 30 June 2008

	1,214,883	1,214,883
Gross Carrying Amount	2,057,197	2,057,197
Accumulated Amortisation	(842,315)	(842,315)

Additions	194,175	194,175
Amortisation during the Year	(344,804)	(344,804)
Impairment Loss	-	-
Disposals during the Year:	-	-

Carrying amount at 30 June 2009

	1,064,254	1,064,254
Gross Carrying Amount	2,251,372	2,251,372
Accumulated Amortisation	(1,187,119)	(1,187,119)

The amortisation expense has been included in the line item in the " Depreciation and Amortisation " in the Statement of Financial Performance(See note 27)

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

The following restrictions apply to Intangible Assets:

Munsoft Classic Financial Software:

(i) The system is non-assignable, non-transferable, and the municipality has no exclusive rights to use the system.

(ii) The municipality, as the licensee, shall not grant usage of, or distribute, the system in its original or modified form, to a third party for the third party's benefit.

(iii) The municipality has no intellectual property rights to the system.

13.1 Significant Intangible Assets

Significant Intangible assets that did not meet recognition criteria for Intangible Assets in terms of GRAP 102 is the following:

(i) Website costs have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

Refer to Appendix "B" for more details on Intangible Assets

	Land and Building R	Total R
Carrying amount at 01 July 2009	59,718,087	59,718,087
Additions : Acquisitions	-	-
: Subsequent Expenditure Capitalised	1,540,913	1,540,913
Transfers (to)/ from Property,Plant and Equipment	-	-
Net Gain(Loss) in Fair Value Adjustment	-	-
Disposals	-	-
Carrying amount at 30 June 2010	61,259,000	61,259,000
Carrying amount at 30 June 2008	60,859,621	60,859,621
Additions : Acquisitions	-	-
: Subsequent Expenditure Capitalised	-	-
Transfers (to)/ from Property,Plant and Equipment	-	-
Net Gain(Loss) in Fair Value Adjustment	(1,141,534)	(1,141,534)
Disposals	-	-
Carrying amount at 30 June 2009	59,718,087	59,718,087

Investment properties comprises various Land and Buildings and are stated at fair values, which have been determined based on the valuations by E-Evaluations an industry specialist in valuing these types of investment properties. The fair value represent the amount at which the asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms length transaction at the date of valuation, in accordance with international accounting standards. The valuation is performed in every three to five years and the most recent valuation was performed in 01 July 2008.

15

LONG TERM RECEIVABLES -Group

	Provision for Bad Debt R	Net Balance R
As at 30 June 2010		
Ugu District Municipality	-	14,350,765
Housing Loans	-	48,482
	-	14,399,247

Less:Short-term portion transferred to Current Assets	1,062,207
Ugu District Municipality	1,056,572
Housing Loans	5,635
Total Long-term Receivables	13,337,040

As at 30 June 2009

Ugu District Municipality	-	20,436,444
Housing Loans	-	12,765,465
	-	33,201,909

Less: Short-term portion transferred to Current Assets	3,930,417
Ugu District Municipality	759,728
Housing Loans	3,170,689
Total Long-term Receivables	29,271,492

	Provision for Bad Debt R	Net Balance R
As at 30 June 2010		
Ugu District Municipality	-	14,350,765
Housing Loans	-	48,482
	-	14,399,247

Less:Short-term portion transferred to Current Assets	1,062,207
Ugu District Municipality	1,056,572
Housing Loans	5,635
Total Long-term Receivables	13,337,040

As at 30 June 2009

Ugu District Municipality	-	20,436,444
Housing Loans	-	12,765,465
	-	33,201,909

Less: Short-term portion transferred to Current Assets	3,930,417
Ugu District Municipality	759,728
Housing Loans	3,170,689

Total Long-term Receivables**29,271,492**

The amount owed by **Ugu District Municipality** to the municipality represents the amount paid by the municipality to DBSA on behalf of Ugu District Municipality arising from transfer of powers and functions. The instalment varies and is paid semi-annually.

Housing Loans comprises the amount paid by the employees of the municipality in respect of housing. The debt varies from employee to employee and the instalment is paid on a monthly basis.

16**MUNICIPALITY****. INVENTORY**

Consumable stores and Maintenance Materials- At Cost	3,324,152	2,496,281
Total Inventory	3,324,152	2,496,281
Write down of inventory due to shortages	218,473	36,795

Inventory represents consumable stores, mechanical spares and electrical stores -

The inventory value is considered as the net realisable value of the stock because management feels that the stock is useable and any losses on ultimate realisation are immaterial.

17**. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS**

As at 30 June 2010-Group	Provision for Bad Debt R	Net Balance R
Trade Receivables	(23,268,422)	80,500,713
Other Receivables	-	11,183,079
	(23,268,422)	91,683,792

As at 30 June 2010-Municipality

Trade Receivables	(23,268,422)	80,500,712
Other Receivables	-	10,424,791
Total Trade and Other Receivables	(23,268,422)	90,925,503

As at 30 June 2009-Group

Trade Receivables	(22,039,560)	54,892,077
Other Receivables		

	-	16,667,509
Total Trade and Other Receivables	(22,039,560)	71,559,586

As at 30 June 2009 -Municipality

Trade Receivables	(22,039,560)	54,892,077
Other Receivables	-	16,001,212
Total Trade and Other Receivables	(22,039,560)	70,893,289

Trade Receivables

Rates	51,167,818	30,759,818
Rates penalties	8,310,949	11,184,332
Electricity	6,438,615	5,361,919
Collection charges	1,923,530	2,739,633
Electricity basic	30,764	56,877
Refuse	6,803,937	4,322,419
Refuse basic	892,905	1,278,831
Value added taxation	3,169,830	2,971,481
Sewer rates	379,813	508,043
Legal fees	5,592,387	5,595,201
Sundries	5,598,661	3,750,896
Interim /B CL	400,441	745,215
Roads and drainage	143,752	220,839
Rentals	507,567	337,533
Interest on services	11,987,052	6,525,827
Vacuum Tanker Services	5,210	5,217
Water	71,485	45,224
U I P - Southbroom	96,990	137,782
UIP-Ramsgate	42,950	275,458
Airport	204,480	109,093
Payments received in advance (included in creditors)	(18,188,578)	(17,378,566)
Add back payments received in advance		17,378,566

18,188,578

103,769,135 76,931,637

The ageing of debtors are as follows:

Current	1,379,312	6,994,835
30 - 60 Days	6,658,551	2,147,129
60 - 90 Days	4,473,708	5,836,919
90 - 120 Days	5,851,995	4,965,657
150 Days and Over	85,405,569	56,987,097
Total Trade Receivables	103,769,135	76,931,637

Reconciliation of the Bad Debt Provision

Balance at beginning of year	22,039,560	21,818,198
Contributions made during the year	6,057,131	11,339,284
Bad debts written off during the year	(4,828,269)	(11,117,922)

Balance at end of year

23,268,422 22,039,560

Trade Receivables comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial conditions of these debtors. Consumer debtors are presented net of provision for impairment.

The management have profiled each debt and considered the effects of any impairment in the value of outstanding and compared them with the value of the provision for bad debt. the provision is adequate to meet any material losses expected to arise from any adjustments that are required to be made to outstanding from impairments and discounting

Discounting of Debtors have been performed on the outstanding debtors at year end after considering the provision for doubtful debts at R 704 381 (2009: R14 506 477). See Statement of Financial Performance.

No provision has been made in respect of government debt and Property Rates as these amounts are considered to be fully recoverable.

The credit control policy states that the average credit period for consumer debtors is 30 days. Interest is charged on overdue accounts and such interest is determined by the council. The municipality enforces its approved credit control policy to ensure the recovery of consumer debtors.

18

SHORT-TERM INVESTMENT DEPOSITS

MUNICIPALITY

Fixed Deposits	60,000,000	220,475,969
Total Short-term Investment Deposits	60,000,000	220,475,969

Summary of the Short-term Investments Deposits

The current investments consist of Fixed deposits redeemable over 90 days and not more than 1 year are classified as investments in the financial statements and earn interest varying from 7.50% and 7.90% per annum.

The summary of all investments by the municipality at the end of the financial year as required by Section 125(2)(b) of the MFMA Act No 56 of 2003 has been disclosed as follows:

<i>Account number 1400-190309-451(Fixed Deposits)</i>	40,000,000	-
<i>Account number 03/7881000791/32(Fixed Deposits)</i>	20,000,000	-
<i>Account number 89111-0388208</i>	-	1,554,651
<i>Account number 91-0281-5623 -Louisiana Housing</i>	-	23,892,259
<i>Account number 91-4947-4529 -Nzimakwe Housing</i>	-	540,340
<i>Account number 91-4947-4927 -Nzimakwe Housing</i>	-	4,442,943
<i>Account number 91-4947-5509-Bhobhoyi Housing</i>	-	3,737,077
<i>Account number 91-4947-5753-Bhobhoyi Housing</i>	-	10,037
<i>Account number 91-4947-5208- Damaged Houses</i>	-	89,295
<i>Account number 91-4940-1627-Housing</i>	-	55,028
<i>Account number 91-4940-1164-Mkholombe Housing</i>	-	14,852
<i>Account number 91-5277-5491-Aids Projects</i>	-	99,710
<i>Account number 89140-356988-Masinenge Housing</i>	-	26,396
<i>Account number 89139-356986-KwaMavundla Housing</i>	-	3,767
<i>Account number 89141-356989-KwaXolo Housing</i>	-	56,561

Account number 90439-364623-kwaNdwalande Housing	-	152,537
Account number 89111-356985-CCDC	-	771,686
Account number 89111-357732	-	75,891
Account number 89111-360253-Standard Bank	-	167,022,450
Account number 1400-190309-500 -MHOA	-	17,930,491
Total Short- term Investments	60,000,000	220,475,969

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BANK AND CASH EQUIVALENTS

MUNICIPALITY

The Municipality has the following accounts

Standard Bank- Port Shepstone

Account Number 05 325 607 7 (Primary Bank Account)

Positive bank balance	8,325,190	14,627,161
Cash book balance at end of year	13,702,956	77,123
Less: Outstanding cheques included in creditors	22,028,146	14,550,038

Call Accounts	123,145,000	-
Floats	23,767	30,781
ABSA Business Account	-	-
ABSA Margate Airport	-	-
ABSA Money Market	-	-
Total Bank and Cash Equivalents	131,493,957	14,657,942

For the purpose of Statement of Financial Position and Cash Flow Statement, Bank and Cash Equivalents includes Cash on Hand, Cash in Banks and Investments in Money Markets ,net of outstanding Bank Overdrafts.

Cash book balance at beginning of year - (overdrawn)	77,123	(2,551,232)
Cash book balance at end of year	13,702,956	77,123
Bank statement balance at beginning of year	14,022,275	4,719,589
Bank statement balance at end of year	6,659,617	14,022,275

19.1 Current investments Deposits

Call Deposits	123,145,000	-
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Total Call Deposits**123,145,000****-**

Call deposits are investments with maturity of less than 3 months and earn interest varying from 5.50% to 6.50% per annum. The call deposits are classified as Bank and Cash Equivalents and disclosed in aggregate with positive bank account balance.

The municipality has the following bank accounts

<i>Account number 91-0281-5623 -Louisiana Housing</i>	24,821,122	-
<i>Account number 91-4947-4529 -Nzimakwe Housing</i>	571,158	-
<i>Account number 91-4947-4927 -Nzimakwe Housing</i>	3,259,562	-
<i>Account number 91-4947-5509-Bhobhoyi Housing</i>	9,252,853	-
<i>Account number 91-4947-5753-Bhobhoyi Housing</i>	10,719	-
<i>Account number 91-4947-5208- Damaged Houses</i>	94,387	-
<i>Account number 91-4940-1627-Housing</i>	58,166	-
<i>Account number 91-4940-1164-Mkholombe Housing</i>	27,979	-
<i>Account number 91-5277-5491-Aids Projects</i>	105,397	-
<i>Account number 89140-356988-Masinenge Housing</i>	10,609	-
<i>Account number 89139-356986-KwaMavundla Housing</i>	171,749	-
<i>Account number 89141-356989-KwaXolo Housing</i>	60,354	-
<i>Account number 90439-364623-kwaNdwane Housing</i>	2,491,688	-
<i>Account number 1400-190309-500 -MHOA</i>	19,276,640	-
<i>Account number 89111-356985-CCDC</i>	823,442	-
<i>Account number 89111-357732</i>	80,981	-

Account number 89111-360253-Standard Bank

62,028,193 -

Total Bank Accounts

123,145,000 -

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PROPERTY RATES

MUNICIPALITY

Actual

Rates Residential	200,956,890	190,381,054
Commercial Properties	917,120	29,169,445
Industrial Properties	28,692,211	5,418,355
Mining Properties	6,553,977	247,632
Agriculture-Bona Fide Properties	255,024	905,941
Agriculture-Mixed Properties	217,994	194,686
Institutional Properties	2,917,166	2,016,220
Special Purpose Properties	130,142	200,064
Public Service Infrastructure	1,074,916	1,043,656

Total Property Rates Before Rebates

241,715,441 229,577,053

Rebates

Adjustments	1,132,028	1,286,189
Rebates	1,673,136	3,228,811
Impermissible and Reduction	1,276,430	22,568,203
Phasing In	24,376,968	1,652,379
Exemptions	1,993,352	316,063

Total Rebates

30,451,914 29,051,645

Total Assessment Rates After Rebates

211,263,526 200,525,408

Property Valuations

Rates Residential	28,898,320,267	29,668,350,967
Commercial Properties	2,045,972,864	2,419,889,264
Industrial Properties	459,099,822	450,537,822
Mining Properties	18,480,000	18,480,000
Agriculture-Bona Fide Properties	1,334,252,000	1,314,960,000
Agriculture-Mixed Properties	138,216,000	124,660,000
Institutional Properties	759,890,040	602,728,040
Special Purpose Properties	38,917,000	

		78,071,000
Public Service Infrastructure	890,112,000	890,112,000
Total Valuations	34,583,259,993	35,567,789,093

21

. **SERVICE CHARGES**

Sale of Electricity	59,837,896	42,889,426
Refuse removal	25,636,538	19,113,112

Verge maintenance	-	-
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Total Service Charges	85,474,434	62,002,538
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22

. **INTEREST EARNED**

Total External Interest Earned :		
Interest Earned on External Investments	11,311,897	15,460,695
Interest Earned on Outstanding Debtors	9,530,247	8,871,331

Other Interest Earned	-	-
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Total External Interest Earned	20,842,144	24,332,026
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23

. **GOVERNMENT GRANTS AND SUBSIDIES**

MUNICIPALITY

Equitable share	56,245,340	45,421,642
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Conditional Grants	99,458,150	34,082,458
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National Grants

FMG Grant	826,625	419,563
MSIG Grants - IDP	356,329	399,829
MIG Grant	23,909,471	11,028,624
Disaster Management Grant	59,880,262	14,984,884

Provincial grants

Housing Grants	11,530,957	6,533,261
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Museum Services	-	125,944
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Environmental Grant	-	175,300
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Grant spatial Planning	-	40,000
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Housing Grant Admin	-	50,000
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Umsobomvu Youth Fund	-	226,526
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2010 Raha Bolo	-	98,527
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Margate Library-Cyber Cadet	118,647	-
Subsidy/Grant Library	131,959	-
Capacity Building	98,450	-
Student Grant	150,000	-
Lollipop	184,988	-
Corridor Fund Ugu	2,270,462	-
Independent Development Corporation	-	-
Gijima European Union	-	-
Development Bank of South Africa	-	-
Other Grants	-	659,896
Total Government Grants and Subsidies	155,703,490	78,844,204

23.1 Equitable Share

MUNICIPALITY

Balance unspent at beginning of year	-	-
Current year receipts	56,245,340	45,421,642
Conditions met - transferred to revenue	(56,245,340)	(45,421,642)
Conditions still to be met - transferred to liabilities	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy towards the cost of basic services which is funded from this grant.

23.2 Financial Management Grant (FMG)

Balance unspent at beginning of year	426,086	345,649
Current year receipts	750,000	500,000
Conditions met - transferred to revenue	(826,625)	(419,563)
Conditions still to be met - transferred to liabilities	349,461	426,086

This grant is used to subsidise the costs of building capacity of the Treasury department and the Financial Management Internship programme. Certain conditions have been met. There was no delay or withholding of the grant.

23.3 Municipal Support Infrastructure Grant (MSIG)

Balance unspent at beginning of year	257,742	257,571
Current year receipts	400,000	400,000
Conditions met - transferred to revenue	(356,329)	(399,829)

Conditions still to be met - transferred to liabilities	301,413	257,742
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This grant is used to subsidise the costs of revising the Integrated Development Plan. Certain conditions have been met. There was no delay or withholding of the grant.

23.4 Municipal Infrastructure Grant

Balance unspent at beginning of year	66,968,846	5,867,915
Current year receipts	13,184,000	72,129,554
Conditions met - transferred to revenue	(23,909,471)	(11,028,624)
Conditions still to be met - transferred to liabilities	56,243,375	66,968,845

This grant is used to subsidise the costs of infrastructure. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.5 Disaster Management Grant

Balance unspent at beginning of year	62,938,675	27,877,559
Current year receipts	-	50,046,000
Conditions met - transferred to revenue	(59,880,262)	(14,984,884)
Conditions still to be met - transferred to liabilities	3,058,413	62,938,675

This grant is used to subsidise the costs of Disaster due to floods in our area. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.6 Housing grants

Balance unspent at beginning of year	19,303,286	21,170,217
Current year receipts	12,165,084	4,666,330
Conditions met - transferred to revenue	(11,530,957)	(6,533,261)
Conditions still to be met - transferred to liabilities	19,937,414	19,303,286

This grant is used to subsidise the costs of providing efficient administrative services. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.7 Credit Management Grant

Balance unspent at beginning of year	400,000	400,000
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	400,000	400,000

This grant is used to subsidise the costs of providing efficient administrative services. The

conditions of the grant have not been met. There was no delay or withholding of the grant.

23.8 Operations Grant

MUNICIPALITY

Balance unspent at beginning of year	92,115	92,115
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	92,115	92,115

This grant is used to subsidise the costs of providing efficient administrative services. The conditions of the grant have been met. There was no delay or withholding of the grant.

23.9 Environmental grant

Balance unspent at beginning of year		
Current year receipts	24,700	200,000
Conditions met - transferred to revenue	-	(175,300)
Conditions still to be met - transferred to liabilities	24,700	24,700

This grant is used to subsidise the cost of maintaining the environment within the area. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.10 Provincial Museum Subsidies

Balance unspent at beginning of year	-	-
Current year receipts	138,000	125,944
Conditions met - transferred to revenue	-	(125,944)
Conditions still to be met - transferred to liabilities	138,000	-

This grant is used to subsidise the costs of maintaining the Museum. Conditions of the grant have not been met. There was no delay or withholding of the grant.

23.11 Grant Spatial Planning

Balance unspent at beginning of year	60,000	-
Current year receipts	-	100,000
Conditions met - transferred to revenue	-	(40,000)
Conditions still to be met - transferred to liabilities	60,000	60,000

This grant is used for the development of the Rural Nose Framework . The conditions of the grant have not been met. There was no delay or withholding of the grant.

23.12 Provincial Library Project Subsidies

Balance unspent at beginning of year	278,900	-
Current year receipts	96,000	78,900
Conditions met - transferred to revenue	(250,606)	-
Conditions still to be met - transferred to liabilities	124,294	78,900

This grant is used to subsidise the costs of maintaining the libraries. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.13 Capacity Building Grant

Balance unspent at beginning of year	388,995	
Current year receipts	-	388,995
Conditions met - transferred to revenue	(98,450)	-
Conditions still to be met - transferred to liabilities	290,545	388,995

This grant is used to subsidise the cost of capacitating the municipal staff. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

23.14 Umsobomvu Youth Fund

Balance unspent at beginning of year	23,474	-
Current year receipts	-	250,000
Conditions met - transferred to revenue	-	(226,526)
Conditions still to be met - transferred to liabilities	23,474	23,474

This grant is used to subsidise the costs of providing the services to the youth. Conditions of the grant have not been met. There was no delay or withholding of the grant.

23.15 2010 Raha Bolo

Balance unspent at beginning of year	276,473	-
Current year receipts	-	375,000
Conditions met - transferred to revenue	-	(98,527)

Conditions still to be met - transferred to liabilities	276,473	276,473
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This grant is used subsidise the costs of promoting the 2010 FIFA world cup. Conditions of the grant have not been met. There was no delay or withholding of the grant.

23.16 Subsidy-HIV AIDS

Balance unspent at beginning of year	-	
Current year receipts	86,720	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	86,720	-

This grant is used to subsidise the fight against aids campaign. The conditions of the grant have not been met. There was no delay or withholding of the grant.

23.17 Sport Grant

Balance unspent at beginning of year	913,500	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	913,500	-

This grant is used to subsidise various sporting codes. The conditions of the grant have not been met. There was no delay or withholding of the grant.

23.18 Gijima-2nd Economy

Balance unspent at beginning of year	41,865	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	41,865	-

This grant is used to subsidise the local economic development in the area. The conditions of the grant have not been met. There was no delay or withholding of the grant.

23.19 Student Grant

Balance unspent at beginning of year

Current year receipts	150,000	-
Conditions met - transferred to revenue	(150,000)	-
	<hr/>	
Conditions still to be met - transferred to liabilities	-	-
	<hr/>	

This grant is used to subsidise students at the Tertiary level. The conditions of the grant have been met. There was no delay or withholding of the grant.

23.20 School Crossing Grant(Lollipop)

Balance unspent at beginning of year	-	-
Current year receipts	184,988	-
Conditions met - transferred to revenue	(184,988)	-
	<hr/>	
Conditions still to be met - transferred to liabilities	-	-
	<hr/>	

This grant is used to subsidise the cost of assisting school children in crossing the street .The conditions of the grant have been met. There was no delay or withholding of the grant.

23.21 Corridor Fund Ugu

Balance unspent at beginning of year	-	-
Current year receipts	3,542,976	-
Conditions met - transferred to revenue	(2,270,462)	-
	<hr/>	
Conditions still to be met - transferred to liabilities	1,272,514	-
	<hr/>	

This grant is used to subsidise the cost of upgrading the Airport for the FIFA world cup. Certain conditions of the grant have been met. There was no delay or withholding of the grant.

24 OTHER INCOME

The major categories of other income are the following:-

	MUNICIPALITY	
Aircraft Sales	2,315,923	2,666,926
Skills Development Refund	718,874	1,037,976
Admin and Certificate related	1,594,344	1,865,676
Town Planning related	5,412,352	3,677,267
Miscellaneous	887,311	483,331
Traffic and Fire related	567,239	526,272
Primary Health Care	3,006,660	-
Sundry Income		

Total Other Income**14,502,703****10,257,448****25 EMPLOYEE RELATED COSTS**

Salaries and Wages	117,368,884	89,486,808
Contributions for UIF, pensions and medical aids	27,136,072	26,291,609
Travel, motor car, accommodation, S & T and other allowances	6,304,508	10,248,064
Housing benefits and allowances	1,453,781	5,278,414
Overtime payments	6,785,614	5,205,543
Performance and other bonuses	8,796,126	9,250,643
Long-service awards	923,681	739,307
Post retirement medical benefits	817,000	1,269,000
Other employee related costs	23,625,094	7,787,610

Total Employees Related Costs**193,210,760****155,556,998*****Remuneration of the Municipal Manager***

Annual Remuneration	503,137	574,852
Car, Entertainment, Housing, Subsistence and Other Allowances	328,072	308,121
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	24,027	9,063
	855,235	892,036

Remuneration of the Chief Executive Officer- Municipal Entity

Annual Remuneration	-	-
Car, Entertainment, Housing, Subsistence and Other Allowances	-	-
Performance and Other Bonus	-	-
Contributions to UIF, Medical and Pension Funds	-	-
	-	-

Remuneration of the Chief Financial Officer

Annual Remuneration	435,706	467,705
Car, Entertainment, Housing, Subsistence and Other Allowances	247,319	215,300
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	27,866	67,028
	710,890	750,033

Remuneration of the Director : Corporate Services

Annual Remuneration	310,600	310,600
Car, Entertainment, Housing, Subsistence and Other Allowances	304,787	265,632
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	23,400	52,783
	638,787	629,014

Remuneration of the Director : Economic Development

Annual Remuneration	277,240	125,672
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Car, Entertainment, Housing, Subsistence and Other Allowances	303,171	195,532
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	45,932	14,567
	626,343	335,770

Remuneration of the Director : Operations

Annual Remuneration	83,318	334,329
Car, Entertainment, Housing, Subsistence and Other Allowances	57,942	217,281
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	6,277	24,902
	147,537	576,511

The Director of Operations resigned on 30 November 2009 and the post is still vacant.

Remuneration of the Director : Infrastructure and Human Settlements

Annual Remuneration	280,042	297,684
Car, Entertainment, Housing, Subsistence and Other Allowances	133,026	276,850
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	53,578	46,770
	466,646	621,304

The Director of Infrastructure and Human Settlements started on 01 September 2009

Remuneration of the Director : Cleansing and Maintenance

Annual Remuneration	575,971	556,060
Car, Entertainment, Housing, Subsistence and Other Allowances	96,000	128,476
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	-	4,013
	671,971	688,549

Remuneration of the Director : Protection Services

Annual Remuneration	301,134	301,134
Car, Entertainment, Housing, Subsistence and Other Allowances	313,787	310,993
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	23,866	27,242
	638,787	639,369

Remuneration of the Director : Health and Community Services

Annual Remuneration	349,026	338,893
Car, Entertainment, Housing, Subsistence and Other Allowances	267,514	217,093
Performance Bonus	-	-
Contributions to UIF, Medical and Pension Funds	23,400	24,184
	639,940	580,169

Remuneration of the Director : Planning and Development

Annual Remuneration	468,915	457,300
Car, Entertainment, Housing, Subsistence and Other Allowances	166,656	173,808
Performance Bonus	-	-

Contributions to UIF, Medical and Pension Funds

36,400	66,616
671,971	697,724

Total Senior Management

6,068,107	6,410,480
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26 REMUNERATION OF COUNCILLORS AND DIRECTORS

Mayor's allowance	576,275	554,559
Deputy Mayor's allowance	461,020	446,844
Speaker's allowance	461,020	440,022
Councillors' allowances - Part time	8,810,373	8,136,012
Councillors' allowances - Full time	3,623,425	3,464,299

Directors Fees

-	-
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Total Remuneration of Councillors

13,932,113	13,041,736
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In Kind Benefits

The Mayor, Deputy Mayor and a Speaker and Executive committee members are full time. Each is provided with an office and a secretarial support at a cost to the council.

The Mayor has use of the Council owned vehicle for official duties. The Mayor has two full time bodyguards.

Councillors may utilize official Council transportation when engaged in official duties.

27 DEPRECIATION AND AMORTISATION

Depreciation :Property Plant and Equipment	42,187,849	26,464,061
Amortisation: Intangible Assets	289,367	-

Total Depreciation and Amortisation

42,477,216	26,464,061
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28 INTEREST PAID

Interest Paid-Long-term Liabilities	1,834,975	2,479,931
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Total Interest Paid

1,834,975	2,479,931
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29 BULK PURCHASES

Electricity	35,870,394	27,192,084
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Total Bulk Purchases

35,870,394	27,192,084
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30 GENERAL EXPENSES

MUNICIPALITY

Included in general expenses are the following:

Advertising	1,009,260	709,923
Aircraft Expenses	2,129,621	1,929,043
Bank Charges	786,378	709,559
Budget Road shows	604,711	669,405
Chemicals & Pesticides	674,100	343,363
Clearing Charges	598,625	614,343
Electricity charges	3,686,327	2,771,576
Free Basic Services	3,146,756	2,775,638
HIV Aids	228,657	1,183,827
Insurance	1,744,806	1,337,912
Legal Fees	2,070,236	3,634,247
Miscellaneous	9,867,622	3,330,084
1 House 1 Garden Project	265,022	-
2010 Activation	325,602	-
Home Based Care Networking	573,509	-
Leasing-Properties	706,649	341,923
Licenses	415,742	-
Margate Airport Business plan	3,157,674	-
Pont Caravan Park	800,000	-
Poverty Alleviation Projects	406,857	75,027
Refuse Bags	1,264,251	1,696,712
Youth Empowerment	603,408	108,995
Plant Hire	814,412	2,595,182
Postage	1,390,485	1,339,557
Printing & Stationery	1,483,227	1,571,326
Professional Fees	6,204,632	6,864,909
Refuse Site Disposal Charges	2,790,508	4,474,080
Rents & Leases	8,954,210	7,269,147
Skills Development Levy	1,524,868	1,292,635
Small Assets	146,551	1,617,247
Special Functions	1,110,787	789,021
Stores & Material	1,302,348	1,173,658
Subscriptions	739,274	862,632
Subsistence & Travelling	1,270,901	1,086,157
Security Monitoring Charges	3,793,322	3,395,278
Summons	635,797	2,884,303
Telephone	4,226,026	4,118,394
Training		

	1,740,953	865,033
Valuation Fees	800,906	727,855
Water Charges	2,974,958	3,134,132
Workman's Compensation	-	1,170,476
Total General Expenses	76,969,977	69,462,599

31 AUDIT FEES

Opening Balance	-	-
Amount Paid Current Year	2,268,588	1,820,557
Balance unpaid at the end of the year	-	-
Total Audit Fees	2,268,588	1,820,557

32 IMPAIRMENT LOSSES

32.1 Impairment Losses on Fixed Assets

Impairment Losses Recognised	70,399	148,549
Property, Plant and Equipment	17,631	148,549
Intangible Assets	52,768	-
Investment Property	-	-
Total Impairment Losses	70,399	148,549

Impairment losses on property, plant and equipment exist predominantly due to technological obsolescence of information technology equipment. The remainder of impaired items of property, plant and equipment have been physically damaged, stolen or have become redundant and idle.

33 CASH GENERATED BY OPERATIONS

MUNICIPALITY

Surplus/(Deficit) for the year	63,354,681	10,469,372
Adjustment for:		
Other Movements in Accumulated Surplus	16,851,048	-
Depreciation and Amortisation	42,477,216	26,464,061
Impairment Losses on Property, Plant and Equipment	70,399	148,549
Losses(Gains) on Disposal of Property, Plant and Equipment	638,364	25,573
Contribution to Long-Service Awards Benefits	343,853	(323,094)
Expenditure of Long-Service Awards	(583,174)	1,381,172
Contribution to Retirement Benefits Provision	8,219,000	

Contribution to Landfill Site	3,140,000	- 2,573,680
Contribution to Staff Leave Provision	1,453,163	-
Contribution to Bad Debts	6,057,131	11,339,284
Bad Debts Written-Off	(4,828,269)	(11,117,922)
Investment Income	(20,842,144)	(24,332,026)
Interest Paid	1,834,975	2,479,931
Operating Surplus before working capital changes	118,186,244	19,108,580
Decrease/(Increase) in Inventories	(827,871)	(1,038,083)
Decrease/(Increase) in Trade Receivables and Other Receivables	(21,261,077)	10,634,125
Increase/(Decrease) in Consumer Deposits	7,051,604	250,885
Increase/(Decrease) in Trade Payables	19,986,107	4,136,485
Increase/(Decrease) in Conditional Grants and Receipts	(67,605,015)	73,022,799
Increase/(Decrease) in Operating Lease Liability	81,317	(149,039)
Decrease/(Increase) in Other Receivables	-	12,791,271
Decrease/(Increase) in Housing Selling Units	13,342,437	-
Cash Generated by / (utilised in) Operations	68,953,746	118,757,023

34 34.1 CAPITAL COMMITMENTS

MUNICIPALITY

Commitments in respect of capital expenditure

Approved and contracted for	110,421,525	44,855,949
Approved but not yet contracted for	35,756,692	16,394,060
Total Capital Commitments	146,178,217	61,250,009

This expenditure will be financed from:

Internal sources	54,077,154	30,557,441
Government grants	92,101,063	30,692,568
	146,178,217	61,250,009

34.2 OPERATING EXPENDITURE COMMITMENTS

Shark Meshing Fees	4,300,000	4,337,847
Verge Cutting	2,100,643	2,329,522
Contract Refuse	2,983,831	3,140,009
Cleaning Services	1,987,292	5,738,638
Lifeguarding Services	3,231,321	758,533

14,603,087 16,304,549

Claim for Damages

—

700,000 700,000

25,000 25,000

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36 BENEFITS

All councillors belong to the Pension Fund for Municipal Councillors. The Municipality's personnel are members of one of the three Natal Joint Municipal Pension Funds i.e. (Superannuation, Provident and Retirement) or a member of a Government Employers Pension Fund (GEPF). The valuator carries out a statutory valuation on a triennial basis and an interim valuation on an annual basis.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2005 and reported a funding ratio of 147.3%.

No details could be provided of the last valuation.

National Fund for Municipal Workers:

The above mentioned fund is a defined contribution scheme and, according to Regulation 2 of the Pension Funds Act no 24 of 1956, is exempted from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members (9,00 %) and council (18,00 %).

No details could be provided of the last valuation.

Retirement Fund:

The contribution rate paid by the members (7,0%) and Council (13,65%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2006 revealed that the fund is in sound financial state. The current surcharge to be met by the employer is 12.35%.

No details could be provided of the last valuation.

Superannuation Fund:

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2006 revealed that the fund had an actuarial surplus of R38,

- From 1 July 2006 6%
- From 1 July 2007 6%

The above-mentioned surcharge was revised to 7% as from 1 July 2008.

No details could be provided of the last valuation.

Provident Fund:

The contribution rates payable are 5%, 7% and 9.25% by the members and Council contributes 9.75%, 13.65% and 18.0% respectively. The last valuation performed for the year ended 30 June 2005, certified that the fund is in a sound financial state. The last valuation performed for the period ended 31 March 2005 indicated that the fund is in a sound financial position.

No details could be provided of the last valuation.

None of the above mentioned plans are State Plans.

37 COUNCILLORS' ACCOUNTS IN ARREAR

MUNICIPLAITY

During the year the following Councillors had arrear accounts outstanding for more than 90 days

	Amount Outstanding	Ageing
30 June 2010		
Myingwa I.N	1,153	> 90 Days
Njoko D.H	693	> 90 Days
Tshomela G.N		> 90 Days

2,128

30 June 2009

**Amount
Outstanding**

Ageing

Conco DA

2,570

> 90 Days

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

38.1 Unauthorised Expenditure

To the best of management's knowledge, no Unauthorised Expenditure was incurred during the year under review

38.2 Fruitless and Wasteful Expenditure

To the best of management's knowledge, instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.

38.3 Irregular Expenditure

To the best of management's knowledge, instances of note indicating that Irregular Expenditure was incurred during the year under review were not revealed.

Reconciliation of Irregular Expenditure

Opening balance	1,400,000	-
Expenditure incurred during the year	-	1,400,000
Condoned or written off by the council	(1,400,000)	-
Irregular expenditure awaiting condonement	-	1,400,000

39 RELATED PARTY DISCLOSURES

The Hibiscus Coast Municipality considers a transaction to be related party transaction if any of the following criteria is met in terms of IAS 24:

A party is related to Hibiscus Coast Municipality if one party:

- (i) Directly or indirectly controls , is controlled by ,or is under common control of the party
- (ii) Has an interest in one party that gives it significant influence over that party
- (iii) Has a joint control over the entity
- (iv) Is an associate
- (v) Is a member of the key management personnel of the municipality
- (vi) Is a close member of the family or resides with any individual referred to above
- (vii) Is a post-employment benefit plan for the benefit of the employees

The following transactions have been identified for the 2009/2010 financial year

39.1 Services Rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Doubtful Debt Provision	Bad Debt
For the Year Ended 30 June 2010	R	R
	-	-
Municipal Manager and Section 57 Personnel	-	-
Hibiscus Coast Development Agency	-	-
Total Services	-	-
For the Year Ended 30 June 2009		
Councillors	-	-
Municipal Manager and Section 57 Personnel	-	-
Hibiscus Coast Development Agency	-	-
Total Services	-	-

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public.

No bad debts were written or recognised in respect of the amount owed by the related parties.

The amounts outstanding are unsecured and will be settled in cash and consumer deposits were received from Councillors, the Municipal Manager and Section 57 Personnel.

The Hibiscus Coast Development Agency is the municipal entity of the council and the council has a sole control of this municipal entity.

39.2 Transactions with Related Parties

Categories	Amount
Hibiscus Coast Development Agency	923,000

This payment to the Hibiscus Coast Development Agency relates to the re-imburement of funds paid for projects conducted by the municipal entity on behalf of the municipality.

39.3 Key Management Personnel Compensation

Compensation of Key Management Personnel and Councillors is set out in Notes 25 And 26 respectively to the Annual Financial Statements..

40 FINANCIAL INSTRUMENTS

MUNICIPALITY

40.1 Classification of Financial Instruments

FINANCIAL ASSETS:

As per IAS 39 the Financial Assets of the municipality are classified as follows:(FVTPL= Fair Value Through Profit or Loss)

Financial Assets:

Classification

Long-term Receivables

Ugu District Municipality	Loans and Receivables	14,350,765	20,436,444
Housing Loans	Loans and Receivables	48,482	18,850,825

Consumer Debtors

Electricity and Refuse Receivables	Loans and Receivables	80,500,713	90,841,081
Other Receivables	Loans and Receivables	10,424,791	16,082,517

Current Portion of Long-term receivables

Ugu District Municipality	Loans and Receivables	1,056,572	20,436,444
Housing Loans	Loans and Receivables	5,635	18,850,825

Investments

Short-term Investments Deposits	Held to Maturity	60,000,000	220,475,970
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Bank Balances and Cash

Cash and Cash Equivalents	Available for Sale	131,493,957	14,657,942
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SUMMARY OF FINANCIAL ASSETS

Loans and Receivables

Long-term Receivables	Ugu District Municipality	14,350,765	20,436,444
Long-term Receivables	Housing Loans	48,482	18,850,825
Trade Receivables	Electricity	80,500,713	90,841,081
Other Receivables	Provision for Impairment	23,268,422	23,890,000
Current Portion of Long-term Receivables	Ugu District Municipality	1,056,572	20,436,444
Current Portion of Long-term Receivables	Housing Loans	5,635	18,850,825

Held to Maturity:

Short-term Investment Deposits	Call Deposits	60,000,000	220,475,970
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Available for Sale

Cash and Cash Equivalents	Cash and Bank	131,493,957	14,657,942
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Total Financial Assets

310,724,546	428,439,531
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**FINANCIAL
LIABILITIES**

As per IAS 39 the Financial Liabilities of the municipality are classified as follows:(FVTPL=Fair Value through profit or loss)

Financial Liabilities**Classification****Long-term Liabilities**

Local Registered Stock	Not valued at FVTPL	150,000	150,000
Annuity Loans	Not valued at FVTPL	18,644,707	24,725,566
Capitalised Lease Liability	Not valued at FVTPL	576,592	1,752,189

Consumer Deposits

Electricity and Refuse	Not valued at FVTPL	-	-
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Creditors

Trade Payables	Not valued at FVTPL	1,241,822	4,264,505
Other Deposits	Not valued at FVTPL	7,079,120	12,779,863
Accruals	Not valued at FVTPL	15,209,255	1,133,015
Retention	Not valued at FVTPL	15,221,216	7,748,551
Payments Received in Advance	Not valued at FVTPL	18,188,578	17,378,566
Outstanding Cheques at Year End	Not valued at FVTPL	22,028,146	14,550,038
Other Payables	Not valued at FVTPL	299,890	830,352
Bank Overdraft		-	-

Provisions

Staff Leave	Not valued at FVTPL	10,116,670	8,663,507
Landfill Site Rehabilitation	Not valued at FVTPL	19,369,800	15,059,969

Operating Lease Liability

Operating Lease Liability	Not valued at FVTPL	127,735	46,416
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Unspent Conditional Grants and Receipts

National Government Grants	Not valued at FVTPL	79,988,662	151,239,291
Provincial Government Grants	Not valued at FVTPL	-	-
Other Grants	Not valued at FVTPL	3,645,614	1,202,399

Current Portion of Long-Term Liabilities

Local Registered Stock	Not valued at FVTPL	150,000	150,000
Annuity Loans	Not valued at FVTPL	4,851,418	3,784,263
Capitalised Lease Liability	Not valued at FVTPL	576,592	1,078,049

SUMMARY OF FINANCIAL LIABILITIES**Not Valued at Fair Value through Profit or Loss:**

Long-term Liabilities	Local Registered Stock	150,000	150,000	
Long-term Liabilities	Annuity Loans	18,644,707	24,725,566	
Long-term Liabilities	Capitalised Lease Liability	576,592	1,752,189	
Consumer Deposits	Electricity and Refuse	-	-	
Payables	Trade Payables	1,241,822	4,264,505	
Payables	Other Deposits	7,079,120	12,779,863	
Payables	VAT Payable	-	1,210,367	
Accruals	Other Payables	15,209,255	1,133,015	
Payables	Retention	15,221,216	7,748,551	
Payables	Payments Received in Advance	18,188,578	17,378,566	
Payables	Outstanding Chqs at Year End	22,028,146	14,550,038	
Payables	Bank Overdraft	-	-	
Provisions	Staff Leave	10,116,670	8,663,507	
Provisions	Landfill Site Rehabilitation	19,369,800	15,059,969	
Operating Lease Liability	Operating Lease Liability	127,735	46,416	
Unspent Conditional Grants and Receipts	National Government Grants	79,988,662	150,036,892	
Unspent Conditional Grants and Receipts	Provincial Government Grants	-	-	
Unspent Conditional Grants and Receipts	Other Grants			

		3,645,614	1,202,399	
Current Portion of Long-Term Liabilities	Local Registered Stock	150,000	150,000	
Current Portion of Long-Term Liabilities	Annuity Loans	4,851,418	3,784,263	
Current Portion of Long-Term Liabilities	Capitalised Lease Liability		576,592	1,078,049
TOTAL FINANCIAL LIABILITIES		217,165,926	267,342,582	

41 RISK EXPOSURES

The Municipality is potentially at risk in the following area's:-

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate as means of mitigating the risk of financial loss from defaults.

Interest Rate Risk is the risk that the value of the financial instrument will fluctuate because of changes in the market interest rates.

Potential concentrations of credit risk consist of mainly of long-term debtors, consumer debtors, other debtors, short-term investments deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investments operations by only dealing with well-established financial institution of high credit standing.

Trade receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality and income segment. Periodic credit evaluation is performed on the financial conditions of accounts receivables and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluation are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

Consumer Debtors are individually evaluated annually at balance sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment/discounting, where applicable.

The maximum credit and interest risk exposures in respect of the financial instruments are as follows:

Short term Investments	60,000,000	220,475,970
Trade Receivables	80,500,713	59,281,920
Other Receivables	10,424,791	16,045,136
Long-term Receivables	13,337,040	35,356,852
Bank Balances and Cash	131,493,957	14,657,942

295,756,501	345,817,820
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42 ELECTRICITY LOSSES

Total Electricity Losses

1,249,070	361,469
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The municipality average electricity losses to be approximately 3.43%. The loss is calculated by comparing quantity of electricity sold to quantity purchased.

Electricity Losses can be attributed to illegal connections of electricity and operational usage.

43 43.1 CHANGE IN ACCOUNTING POLICY

Government Grants, previously recognised in terms of IAS 20 (*Accounting for Government Grants*), have now been recognised in the Annual Financial Statements of the municipality as at 30 June 2010.

The comparative amounts have been restated. The effect of the change in Accounting Policy is as follows:

Reclassification of Accumulated Surplus and Deferred Revenue

The prior year figures for Accumulated Surplus and Deferred Revenue have been restated to correctly disclose the monies held by the municipality in terms of GRAP 9.

The effect of the Change in Accounting Policy is as follows:

	Accumulated Surplus	Deferred Revenue
Balances published as at 30 June 2008	(623,590,584)	135,152,050
Reclassify Government Grant Reserve	(135,152,050)	(135,152,050)
Restated Balances as at 30 June 2008	(758,742,634)	-
Transactions incurred for the Year 2008/09		
Contribution to Reserves	(30,000,000)	-
Interest allocated to Reserves	(3,394,291)	-
Assets obtained from Reserves	31,457,803	(2,694,641)
GRAP 17 Adjustments	(36,044,637)	
Offsetting of Depreciation	16,477,738	-

Housing Debtors	(5,529,593)	-
Appropriations from / (to) Reserves	(15,364,891)	-
Surplus for the Year	10,469,372	-
Transfer of Transactions to Accumulated Surplus	(2,694,641)	2,694,641
Restated Balance as at 30 June 2009	(793,365,774)	-

Reclassification of Revenue:

The prior year figures of Government Grants and Subsidies have been restated to correctly classify the transactions related to Assets obtained from Government Grants (previously included in the Government Grant Reserve).

The effect of the Change in Accounting Policy is as follows:

	Government Grants	Surplus for the Year
Revenue as per AFS previously published for 2008/2009	79,504,100	11,129,268
Reclassification of Assets obtained from Grants	2,694,641	2,694,641
Reclassification of Depreciation of Assets obtained from Grants	(3,354,537)	(3,354,537)
Restated Revenue as per AFS currently disclosed for 2008/2009	78,844,204	10,469,372

43.2 CHANGE IN ACCOUNTING POLICY- MUNICIPAL ENTITY

The municipal entity changed from SA GAAP to GRAP in the current year and that has resulted in a Change in Accounting Policy GRAP 3. The recognition and measurement principle in terms of GAAP and GRAP does not differ or result in material differences in items presented and disclosed in the financial statements except the terminology differences.

44 STATEMENT OF CHANGES IN NET ASSETS	GROUP	MUNICIPALITY
Balance published as at 30 June 2008	626,290,029	623,590,584
GRAP 17 Adjustments	36,044,636	36,044,636
Change in Accounting Policy (Note 43)	135,152,050	135,152,050
Prior Period Error (Note 45)	(2,678)	-
Restated Balance	797,484,037	794,787,270

During 2009/2010 an exercise was undertaken by PricewaterhouseCoopers to account for all infrastructure assets of the municipality. This resulted in assets being capitalised that has never been accounted for therefore adhering to GRAP 17. The fair value of additional infrastructure amounted to R36 044 637 for the year.

45 PRIOR PERIOD ERROR

The rental on office accommodation of the municipal entity was not straightlined as required by GRAP 13. The financial Statements of 2009 have been restated to correct this error. The effect of restatement is summarised below:

	GROUP	MUNICIPALITY
Adjustments against Accumulated Surplus 30 June 2009	<u>2,678</u>	<u>-</u>
Increase/(Decrease) in Lease Expenses	<u>2,678</u>	<u>-</u>
Operating Lease Liability	<u>2,678</u>	<u>-</u>

46 EVENTS AFTER BALANCE SHEET DATE

No events having financial implications requiring disclosure occurred subsequent to 30 June 2010 except that the Chief Executive Officer of the Hibiscus Coast Development Agency resigned subsequent to 30 June 2010 and this is regarded as the non-adjusting event.

47 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any In-kind Donations and Assistance during the year under review.

48 MUNICIPAL ENTITIES

In terms of section 125(1) of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003) council has an association with the municipal Entity Hibiscus Coast Development Agency.

49 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

50 PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the financial year 2009/2010.

51 COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Changes in Accounting Policies (Note 43) and prior period Errors (Note 45).

52 DISCONTINUED OPERATIONS

No operations have been discontinued.

53 GOING CONCERN ASSUMPTION

R

Based on the analysis of the cash resources situation as at 30 June 2010, it has been noticed that the following reserves are not covered by cash to meet current obligations

Capital Replacement Reserve	26,961,788
Accumulated Surplus	135,783,333
Long term Portions of Non Current Liabilities	36,612,830
Obligations	43,356,758
	<hr/>
	<u>242,714,709</u>

Therefore, management is of the strong view, that as a matter of priority a going concern plan needs to be developed, adopted and implemented in order to obviate any challenges in the next twelve months.

54 RECONCILIATION OF ACTUAL TO BUDGET

54.1 OPERATING BUDGET	GROUP		MUNICIPALITY	
DETAILS	2010	2009	2010	2009
Revenue Variances				
Property Rates	3,752,779	24,143,425	3,752,779	24,143,425
Property Rates-Penalties and Collection Charges	(67)	(143,041)	(67)	(143,041)
Service Charges	11,542,590	36,453	11,542,590	36,453
Rental of Facilities and Equipment	82,956	(18,064)	82,956	(18,064)
Interest Earned:External Investments	(4,688,103)	860,695	(4,688,103)	860,695
Interest Earned:Outstanding Receivables	530,247	(628,669)	530,247	(628,669)
Interest Earned :Other	40,153	(64,044)	-	(64,044)
Fines	1,371,518	11,342	1,371,518	11,342
Licences and Permits	387,840	(73,634)	387,840	(73,634)
Income from Agency Services	216,056	226,107	216,056	226,107
Government Grants and Subsidies	89,288,690	14,071,537	89,253,290	13,724,312
Other Income	2,270,668	(355,361)	5,145,254	(355,361)
Gains on PPE	295	(715,000)	295	(715,000)
Total Revenue Variance	104,795,622	37,351,746	107,594,655	37,004,521
Expenditure Variances				
Employee Related Costs	17,005,772	(2,321,331)	17,070,630	(2,321,331)
Remuneration of Councillors	(1,648,565)	63,295	(1,683,565)	63,295
Contribution to Bad Debts	877,131	7,180,284	877,131	7,180,284
Long-term Debtors Written Off	3,462,868	-	3,462,868	-
Depreciation and Amortisation	22,475,555	906,811	22,477,216	906,811
Repairs and Maintenance	(3,055,665)	1,925,361	(3,057,749)	1,925,361
Interest Paid	(1,695,025)	4,628,929	(165,025)	4,628,929
Bulk Purchases	(209,674)	298,301	(209,674)	298,301
Contracted Services	(1,118,258)	883,129	(1,118,258)	883,129
Grants and Subsidies Paid	10,052,976	801,529	10,053,574	801,529
General Expenses	(5,420,245)	10,679,161	(3,047,380)	9,409,016
Audit Fees	(63,494)	86,921	(31,412)	86,921
Write Down of Obsolete Inventory	(260,000)	(36,795)	(260,000)	(36,795)
Contribution to Landfill Site Rehabilitation	8,473	2,883,820	8,473	2,883,820
Loss on Disposal of PPE	(11,636)	(25,573)	(11,636)	(25,573)

Debtors Discounting	(45,619)	-	(45,619)	-
Impairment Losses	(79,601)	(148,549)	(79,601)	(148,549)
Total Expenditure Variance	40,274,993	27,805,293	44,239,973	26,535,148
Surplus for the year	64,520,629	9,546,452	63,354,682	10,469,372

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with an explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

54.2 CAPITAL BUDGET

DETAILS	Actual 2009/2010 R	Budgeted 2009/2010 R	Variance actual/ Budgeted R	Variance actual/ Budgeted %
Capital Expenditure and Funding Source				
External Loans	19,397,007	55,182,154	(35,785,147)	35.15
Internally Generated Funds	5,446,275	6,282,772	(836,497)	86.69
Government Grants and Subsidies	83,789,733	182,259,419	(98,469,686)	45.97
Public Contributions and Donations	-	-	-	
Total Capital Expenditure and Capital Funding Sources	108,633,015	243,724,345	(135,091,330)	

Details of the results per segmental classification of capital expenditure are included in Appendix "C".

APPENDIX A
HIBISCUS COAST MUNICIPALITY AND ITS MUNICIPAL ENTITY
SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2010

Details	Loan Number	Interest Rate	Redeemable	Balance at 30 June 2009 R	Received during the year R	Adjustment during Period	Redeemed/ written off during period R	Balance at 30 June 2010 R
LOCAL REGISTERED STOCK								
HE Capital	3 & 4	16.95%	2008	50,000	-	-	-	50,000
UAL Merchant Bank	2 – 6	19.50%	2008	100,000	-	-	-	100,000
Total registered stock				150,000	-	-	-	150,000
ANNUITY LOANS								
Development Bank of SA Ltd				6,609,618		1,687,867	748,662	4,173,089
Development Bank of SA Ltd	KN 100027/1	13.80%	2012	4,734,596			1,373,415	3,361,181
Development Bank of SA Ltd	13459/102	15.00%	2014	574,261			54,692	519,569
Development Bank of SA Ltd	13459/102	15.00%	2014	2,299,422			218,993	2,080,429
Development Bank of SA Ltd	13864/101	JIBAR	2012	2,812,500			225,000	2,587,500
Development Bank of SA Ltd	15326-3	17.25%	2012	63,937		17	6,778	57,142
Development Bank of SA Ltd	15326-4	13.47%	2013	439,186		75	51,580	387,531
Development Bank of SA Ltd	15373-2	15.60%	2009	3,090		3,605	6,695	-
Development Bank of SA Ltd	15298.-10	15.54/14.69%	2014	591,421			139,365	452,056
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	42,081			9,916	32,165
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	636,154		60,877	149,906	425,371
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	59,636			14,053	45,583
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	41,007			9,663	31,344
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	33,151			7,812	25,339
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	37,805			8,909	28,897
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	13,786			3,249	10,538
Development Bank of SA Ltd	15298.6-10	14.54-14.69%	2014	156,151		58,454	38,731	175,874
Planet Finance (N R B)		20.25%	2018	130,930		395	24,008	106,527

Infrastructure Finance Corporation	HHIBI-00-0001	14.05%	2012	5,446,834			1,302,263	4,144,571
Total other annuity loans				24,725,566	-	1,687,172	4,393,686	18,644,707
CAPITAL LEASE LIABILITIES								
ABSA Bank Ltd- Bankfin	69152428	12.60%	2010	205,550			141,528	64,022
ABSA Bank Ltd- Bankfin	69152436	12.60%	2010	205,550			141,528	64,022
ABSA Bank Ltd- Bankfin	69293994	12.70%	2010	205,550			141,528	64,022
ABSA Bank Ltd- Bankfin	69297663	11.73%	2010	378,513			262,299	116,214
ABSA Bank Ltd- Bankfin	69297671	11.73%	2010	378,513			244,357	134,156
ABSA Bank Ltd- Bankfin	69297680	11.73%	2010	378,513			244,357	134,156
Total capitalised lease liabilities				1,752,189	-		1,175,597	576,592
TOTAL EXTERNAL LOANS				26,627,755	-	1,687,172	5,569,283	19,371,299

ANNUITY LOANS

DBSA

Structured unsecured loans taken over from the local municipalities as a result of a change of powers and functions. Repaid semi-annually at various interest rates.

Planet Finance

Structured unsecured loan. Repayable monthly in fixed instalments of capital and fixed rate interest.

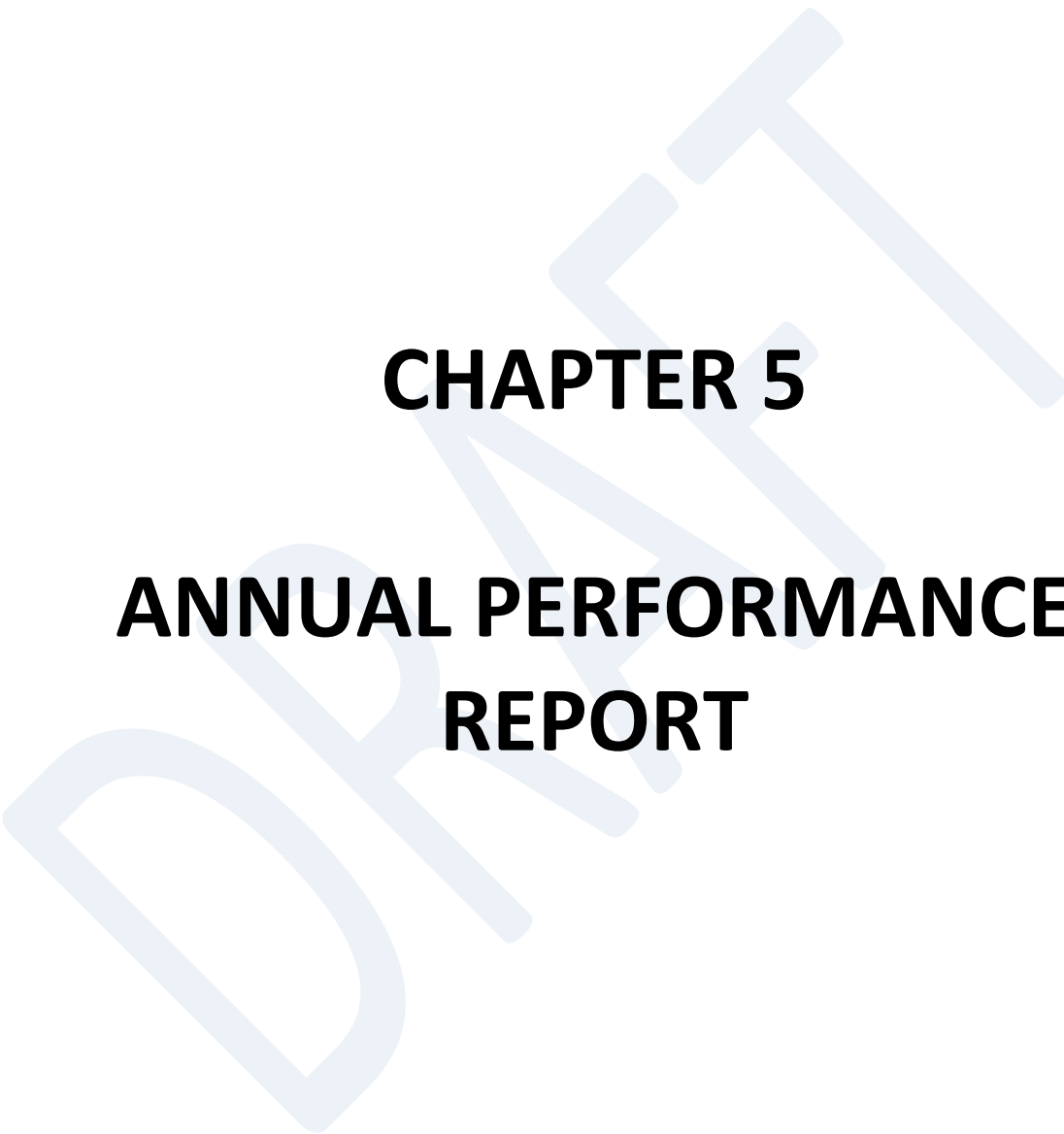
Infrastructure Finance Corp

Structured unsecured 20 year loan. Repayable semi- annually in fixed instalments of capital and fixed rate interest.

CAPITALISED LEASE LIABILITIES

Structured secured finance leases over vehicles; lease repayments over a period of 3 years at both fixed and variable interest rates.

**2009/2010 municipal investments
(see attachment)**



CHAPTER 5

ANNUAL PERFORMANCE REPORT

KPA: Good Governance and Public Participation

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER							Measures to improve performance
KPA	Objectives	KPIs	2008/2009	2009/2010	2008/2009	2009/2010	
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievement	
Good Governance and Public Participation	To have an IDP as a plan for the state as a whole	Credible IDP	IDP development	72% credibility score	IDP development	72%	IDP Forum meetings to sit as scheduled
	To increase and enhance the accountability culture and ensure effective service delivery	Improved service delivery	- Increase and enhance management accountability and ensure effective service delivery. - Conduct four quarterly evaluations	Four quarterly performance evaluation meetings were done	- Increase and enhance management accountability and ensure effective service delivery. - Conduct four quarterly evaluations	Four quarterly performance evaluation meetings were done	Recommended for a Manager PMS
	To increase and enhance the accountability culture and ensure effective service delivery	Transparency and accountability	2008/9 Annual report	Adopted by Council in March 2010	2009/10 Annual report	Performance report submitted to Council and AG by 31 Aug 2010	Improve internal (HODs) cooperation
	To ensure that integrated, Co – coordinated government is achieved	Effective ward committees	- Five workshops were conducted	Some ward committees were not fully functional. Re-establishment of ward committees	7 ward committees & ward based structures workshop starting in Sep 2010	Will be undertaken in Sep 2010	Revive and enhance ward structures to disseminate information and keep communities aware of municipal programmes
Good governance and public participation	To ensure that integrated, Co – coordinated government is achieved	Number of minutes submitted	More than half of the ward committees were functioning effectively and efficiently	Re-establishment of the non functioning ward committees. Enhancement of ward committee structures	Ensure functionality if ward committees	Supported and enhanced ward committees	Keep ward committees abreast on municipal development and programmes
	To ensure that integrated, Co – coordinated government is achieved	Effective ward committees	Systems to capacitate ward committees were implemented	Sustainability of ward committees was compromised.	Training of ward committees	Trainings were conducted	Training

				Trainings must be done			
	To ensure that integrated, Co – coordinated government is achieved	Number of izimbizo held Izimbizo minutes	Hold 14 izimbizo held	Budget allocation to cover the izimbizo was inadequate. Proactive planning is necessary to cut down the costs.	Hold 13 izimbizo	13 izimbizo were held	More efforts were put on mobilisation
	To ensure that integrated, Co – coordinated government is achieved	Expenditure	Function did not materialise	Function was cancelled, hence planning and consultation is necessary for future closing functions	Function wasn't planned	No function	Request for funding
	To ensure legislative compliance	Audit report	Risk and corruption were minimized.	Risk and corruption was minimized.	Carry out Risk assessment	Risks were identified	Proactive planning
			-Audit high risk areas determined by the audit annual plan -Facilitate the creation of plans by HODs to address those risks and report to the audit committee	Human resources and payroll, Stores and Depot Management, IT Management Review follow up is planned. All departments should be audited.	Develop & implement an Audit Plan	Audit plan was not approved	
		Gender and disability policy Number of forums held	- Policy was developed and adopted - Disability forum functioned well - People living with disabilities were capacitated - The forum was launched - Disability day awareness was commemorated - Sports day for people living with disability	Implementation of the disability policy and programmes. Council buy-in is necessary	Support forums	Forums were	More financial resources were allocated

			was hosted				
			<ul style="list-style-type: none"> - Gender policy was developed and adopted - Workshops and trainings were conducted - Women's day was celebrated 	Implementation of the Gender policy and programme. Council buy-in is necessary	Gender	<ul style="list-style-type: none"> Gender programmes were implemented Women's day was celebrated 	Requested for more internal support
			-Awareness campaigns were held	Implementation of the children's rights policy and programme. Council buy-in is necessary	Intensify children's right issues	Workshops were held	Create more awareness
			<ul style="list-style-type: none"> - Create awareness about legislative requirements for Occupational Health and Safety - To have knowledgeable staff regarding their own health and safety at work place 	<ul style="list-style-type: none"> Two demonstrations on street cleaners Kits were not provided 	Monitoring of buildings to ensure compliance with Occupational Health Act issues	Monitoring of buildings was carried out	Recommended and advised to directorates with challenges.
	To ensure compliance to Occupational Health and Safety Plan	Attendance registers	Eight inspections	Safety awareness campaigns are needed. Inspections to be recorded and submitted to relevant authorities.	Conduct 10 inspections	5 inspections were done	Development of an annual plan
		Attendance register	Committee functioned effectively and stability needs to be	Four Occupational Health & Safety Committee	Four meetings	Four meetings were held	Address issues raised

			maintained.				
	To ensure that the newly elected youth council is fully capacitated to execute its work	Programme for the induction workshop Report for the induction workshop	Develop and implement youth policy	Not achieved	To ensure that members understand their functions	One induction workshop	Conduct more workshops to get buy in
	To ensure adequate financial support to youth initiatives from championed by young at community level.	Number of initiatives	Nil	Nil	To support 10 projects with similar objectives with that of Youth development programs based on the submitted proposals.	12 projects were supported which mainly covered the theme of June 16 and FIFA world Cup 2010. The total amount of R 40 000 was used from the period of January to June 2010 covering 12 projects from different clusters.	
	To provide financial support to deserving youth to further their studies	Number of bursaries awarded Budget expenditure	Financially support deserving students by awarding them with bursaries and registration fees	80 students were assisted	Financially support deserving students by awarding them with bursaries and registration fees	131 students were awarded with bursaries to further their tertiary education	More awareness was created and funding was also made available
	To ensure that school leavers are well informed about different careers relevant to their current studies	Number of c	4 Career Guidance Exhibition for local high and secondary schools	4 career guidance exhibitions were held	4 Career Guidance Exhibition for local high and secondary schools	4 career guidance exhibitions were held	
	To contribute in decreasing the rate of unemployment amongst young people within	No. of unemployed youth	To assist unemployed graduates with post matric qualification to get drivers license	Assisted 15 unemployed graduates	To assist unemployed graduates and young people with post matric qualifications	29 unemployed graduates from all HCM wards have been recruited	

	Hibiscus Coast Municipality				with drivers license to increase their employability and profile.	following an advert in the newspaper calling to qualified graduates to apply, 123 applications were received and 29 candidates were short listed and approved. Two service providers have been appointed and the program has started.	
	To ensure continued development of sport and mobilization of all stakeholders within Hibiscus Coast Municipality		Develop interest in sports	Achieved	To facilitate the launch of Hibiscus Coast sport council for all the sporting codes for sport development and mainstreaming	The sport council of Hibiscus Coast was launched on the 27 March 2010 at Uvongo Town Hall where 16 sporting codes were present, local federations were launched and the executive committee was elected. The sport has been inducted in June 2010 and its operations are running very smooth	
	To create a platform for youth in music and various talent to show case		-Create job opportunities for unemployed youth -Provide training for project	Not achieved	To host 2 festivals at Kwa- Madlala & Murchison	Preparation for the hosting of the show at Umzumbe and Murchison	

	talents		participants -Purchase tools and equipment for storm water drainage work			were done, venues inspected, auditions were held and 27 local artists selected to perform and rehearsals held in Margate Museum. The actual shows could not be held due to the official opening of the Ugu Sport & Leisure Center and 2010 programs.	
Good governance and public participation	To an informed internal public	Ezangaphakathi News	6000	6000	4800 copies	3600 copies	Itemised votes
	To an informed external public	Isigcawu Newsletter	160000	160000	160000 copies	172000 copies	Itemised votes
	To have an informed Hibiscus Coast public	Radio Sunny South slots	24 slots	16 slots	24 slots	12 slots	Have a fixed timetable
	To have an informed public	Municipal Website	User friendly and frequently visited website	User friendly and frequently visited website	User friendly and frequently visited website	User friendly and frequently visited website	Involve the IT unit
	To maintain a good image of HCM	Media management	Manage publicity, visibility and monitoring	Achieve	Manage publicity, visibility and monitoring	Achieve	
	To create awareness and importance of these days	Women's Day	Organize an event to celebrate this day	Women's Day organised	Organize an event to celebrate this day	Women's Day organised	

	Happy and well looked after senior citizens	Senior Citizens Day	Organize an event to celebrate this day	Senior Citizens Day organised	Organize an event to celebrate this day	Senior Citizens Day organised	
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KPA: FINANCIAL VIABILITY AND MANAGEMENT

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER							Measures to improve performance
KPA	Objective	KPIs	2008/2009	2009/2010	2008/2009	2009/2010	
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievement	
Financial Viability and Management	To put in place systems to support IDP implementation	Transfer from DCOGTA	400 000.00	400 000.00	750 000.00	750 000.00	Submission of monthly & quarterly reports



Department: Corporate Services							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Good Governance & Public Participation	To promote and uphold principles of good governance	Number of housing stock : Gamalakhe, Marburg, Palm View and Merlewood transferred to qualifying beneficiaries	Transferred all rental stock houses	Not achieved due to lack of capacity by the Service Provider	To have transferred housing stock to all qualifying beneficiaries	Partially achieved, 85 out of 111 Title deeds for Gamalakhe have been received	Effective management of service provider
		Number of learners awarded with Bursaries	Award bursaries to needy students	2 students benefited on the programme	Awarded scholarship to 3 needy learners	3 students benefited on the programme	
	To implement Batho Pele principles	Customer satisfaction Improved service	Implement all eleven Batho Pele principles	Achieved	Implement all eleven Batho Pele principles	Achieved	Effective implementation of the principles
	To minimize fraud risk and corruption	Implementation of HR related risk prevention policies	Low risk	Achieved	Low risk	Achieved	Effective implementation of the policies
Institutional transformation & Development	To provide leadership and support staff	Number of departmental meetings held	12 meetings per year	7 meetings held	12 meetings per year	9 meetings held	Regular meetings, provide support and mentorship

DEPARTMENT: HEALTH & COMMUNITY SERVICES							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Good Governance & Public Participation	1. To enhance capacity for Local Aids Council.	Conduct LAC'S capacity building workshops.	Hosting Consultative workshops for all LAC Workshops	2 days Functional Local Aids Council workshops hosted for data collection	To enhance capacity of Ward Aids Council	LAC participants trained and received certificates	Obtain list of participants register and compiling strategy documents to be in line with National & Provincial and Ugu District Municipality.
	2. To ensure that all Communities have access to basic community facilities and social services.	Composition of Clinic Committees	Recruitment of new members to enroll in bi-monthly clinic committees	Clinic projects developed for each clinic for members	To ensure active clinic committees and re-establishment of dissolved ones	Margate, Shelly Beach, Marburg and Mtwentweni has functional clinic committees	To determine reasons for default and introduce measures for sustainability by introducing stipends for transport to attend meetings.
Institutional transformation & Development	Twinning Project with Sweden Oskarsham Municipality and HCM Groundbreakers.	To maintain relationships with Sweden for development	Recruitment of 12 Ground Breakers	Twinning MoU Agreement signed for the first 12 Groundbreakers.	To obtain groundbreakers in all HCM 27 Wards.	Contract signed and Council resolution for all Wards.	Training of all 12 recruits and introduction of stipends for sustainability.
	To train all HCM nurses on PHC and address salary disparity which hinders recruitment of qualified nurses.	Enrolment of nurses for Primary Health care training course	Apply for sponsorship from DOH to train nurses on PHC	Only 4 number of Nurses trained a year sponsorship received and	Enrolment of more nurses on PHC	4 more nurses enrolled for training at UKZN	More sponsorship applications from Province to ensure more nurses are trained to improve quality of the

				received Certificates			<p>service.</p> <p>To address the salary disparity between Province & Local Govnt which is a problem experienced during recruitment and a high rate of resignations experienced.</p>
Financial Viability & Management	<p>To ensure council revenue is enhanced at Municipal Swimming Pools.</p> <p>To increase halls revenue and improve facilities</p>	<p>Comply with the New Tariff of charges and Turnstiles collection at all swimming pools.</p> <p>Review tariffs, maintenance and renovations</p>	<p>To ensure controls and introduce collection points at HCM Beaches</p> <p>To ensure all HCM halls are maintained and in good condition for users</p>	<p>Revision of Tariff of charges</p> <p>Renovations & Maintenance of Halls</p>	<p>Purchase of turnstiles for all HCM pools</p> <p>Increased utilization of halls and improved facilities</p>	<p>Increased revenue</p> <p>Identification of all HCM Rural Halls & introduction controls and tariffs by Rural Ward Committees</p>	<p>To improve controls on collection of monies and involve treasury for collection assistance.</p> <p>Assistance from Ward Councillors in identification and control.</p> <p>To revisit the list of all and revive the Committee on Rural halls prevent and correct controls and vandalism.</p>

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Infrastructure & basic Service Delivery	To comply with the Blue Flag Status	To maintain all Blue Flag Status beaches	All targets set for the 2008/9 were achieved and HCM still the only Municipality to boast with 5 Blue Flag Status	Maintained Blue Flag Status on Beaches .High quality facilities and infrastructure	Upgrade of 6 beaches set and achieved and a year plan set for major upgrades to some beaches and addressing pollution problems.	Complied with Blue Flag Criteria except pollution in water quality due to sewerage and illegal connections	Assist UGU in location of sewerage problems in beaches, rivers and lagoons.
	Water Sampling on all Blue Flag Beaches	To maintain Blue Flag status and improve bathing water quality on HCM	To improve bathing water quality on all HCM beaches	Water samples complied to the satisfaction of the Blue Flag Jury	To ensure compliance with the criteria for water quality	100% compliance with the criteria fortnightly by an independent laboratory	Independent laboratory to do fortnightly samples and monthly meetings with all relevant stakeholders to eradicate sewerage issues and illegal connections.
	Identification of Burial Sites	To identify and provide more burial space and cemeteries for HCM community	To appoint a service provider for identification of at least 4 burials sites	Appointment of service provider, selection of potential sites, negotiations and visits, surveys, PTO and EIA process	4 sites were identified within the municipality rural areas, service provider requested to expand present graves	Awaiting EIA Expansion of Nositha,Oslo Beach and Albertville Cemeteries	Raising awareness through media and educating the community. Continue as per Imperative Blue Flag Criteria
	To provide Indigent Burial Support to disadvantaged HCM Communities	To provide support for coffin.	To ensure financial support to disadvantaged communities.	Ward Councilors and Caucus secretaries workshop on criteria and controls	Review of Burial Policy to accommodate food vouchers	Policy adoption and budgeting	Handover project to DHHI and DCM and DCS to handle their functional issues. Data base of all HCM funeral parlors to be reviewed. Controls to be re-visited to avoid abuse
	2009/2010 HCM Draft Annual Report			Food vouchers		Administration process	Project to be handled by one department Policy review

Local Economic Develop ment	Rams gate Whale View Site viability	To assist HCM to retain and improve potential tourist attraction.	To rezone site from public open space to conservati on by seeking for sponsorshi p and create decks & walkways.	Constructe d walkways and viewing decks. Sponsorshi p obtained and funded the project.	To achieve a fully completed Whale View site officially recognized DAEA	Application to DAEA and KZN Tourism for official recognition	Assist the Rams gate Conservation in complete basic infrastructure.
	To provide Environmen tal education for the youth and scholars.	Provision of Environmen tal programs to youth on healthy environmen tal lifestyles	To host a total of 5 education programs on various beaches	Programs developed, Wessa provided some lessons and lifeguard activities. Positive response from schools.	To increase education programs to 6	Schedule advert to HCM surroundin g schools	To seek financial assistance to be able to afford to attend these programs
	To improve community awareness on health issues	Hosting of bimonthly awareness days in clinics	Host 6 awareness days per year	Records of all 6 bi- monthly awareness days according to the DOH Calendar	To ensure access to basic community facilities and social services.	Schedule more awareness days and request for more budget.	Interaction with mobile clinics and sponsor transport for the poor.
	To introduce Swimming Awareness Campaigns in HCM schools	Programs developed by Tower 13 & Lifeguards Services & Ubuntu Lifeguards for schools	Visits to HCM schools and presenting of water safety pamphlets and educate on some dangerous area pointers.	Lifesaving demonstra tions staged on our Beaches by inviting the schools during school holidays. Less	Promotion of parental and adult supervision on rivers and the sea. Introductio n of ART Programs to delay	Lifesavers demonstra tions during school holidays. Informatio n spread on the media and local radio on supervision and control of young children on our	Experience less unnecessary drowning during the festive season. Shortage of space to introduce other programs experience in all 6 HCM

	tract to receive ART			drowning noted	the progress of the disease.	beaches.	clinics.
	To introduce extension of hours of service at Marburg Clinic	Introduction of a 24 hour service at Marburg Clinic	Appointed a service provider to initiate VCT	2550 patients received ART on all HCM clinics	Follow up with Province with regard to additional staff posts	Statistics increased on patients receiving ART.CD4 counts,counseling, STI treatment, family planning and testing of TB patients	Additional park home built by province for Maternity cases Temporal termination of 24 hour service, additional posts promised by Province.
	To introduce staff on TOP Counseling services	Request grant from Province to pay for the counseling service & training and planning to train all HCM staff	Hours extended as pilot and requested additional staff allocation from Province	No funding received from Province for additional staff	To train additional 6 nurses on TOP Counseling service	24 hour service not possible without additional staff and still no funding received from Province	Request for more professional nurses posts and salary increase to prevent resignations of our experienced trained staff for better pastures.
	To build capacity and address shortage of staff problem	Ensure that all vacant posts are filled. To improve staff attitudes and provide support to nurses.	To ensure that grant is received from Province and referral of patients to Marie Stopes for TOP	Grant received from Province to pay for the termination of pregnancy service	Identified a need for additional nurses as more waiting period complains from patients.	Only 3 nurses trained due to shortage of staff at HCM clinics	Delay response fro additional nurses posts from province to address the issue of staff shortage and Municipality hasn't address the issue of salary disparity.
	To attend meetings with SALGA,DOH and UNIONS to follow up on the transfer of	To ensure that the HCM is advised on the options for the	Follow up with HR on filling of all vacant	Vacant positions filled except for one and customer care training	Attendance and follow ups on monthly meetings on the transfer of	Application made to Province for provision of additional	The process still on hold, nurses resigns on a monthly base because of salary

	nurses decision to Province	transfer	posts.	attended by 10 nurses	Health services and update council	posts	disparity.
	To address shortage of space at clinics to implement additional programs introduced by Province to local govnt	To request for sponsorship and obtain council resolution for Southport Clinic	Request training of nurses on Customer care and stress management Submission of all communication, circulars and transfer agreements are signed by HCM	The HCM took a decision to transfer the service but the process of transfer was put on hold by SALGA	Address shortage of space by Construction of a Park Home	Process of transfer still on hold and municipalities advised to continue the service until a final decision taken by all relevant stakeholders who will make visits to discuss the issue with all clinics to be transferred	Council not addressing the issue of salary disparity and HR very slow on the advice of employment of retired nurses to temporally address shortage of staff problem
	To assist HIVAIDS sufferers with Home Based Care Supplements To enhance HIVAIDS Awareness	To request council for budget to purchase Soya Porridge and Soya drinks To host World Aids day commemoration event	Application for sponsorship from Broad reach Healthcare To Purchase and distribute Soya Supplements provided by service	Broad reach Health care donated R675 000 towards the project Purchased & distributed 460 boxes of Soya supplements and 410 Home Based Care	To form partnership with other relevant departments for a Comprehensive food security for PLWA's To prepare for World Aids day with other relevant stakeholders schedule of events, written reports and photos to be taken	Park home constructed at Southport Clinic and sorted out the space shortage and allowed for implementation of additional projects. Obtained a list of all Home Based care	All HCM clinics have shortage of space and more sponsorship needed to address this. There is high demand for supplements and the budget is very limited. To request for additional funding in the next financial year Consultation and cooperation with other health stakeholders very effective and such events should be hosted in partnership as it saves costs.

			providers	Kits		Organizations in HCM	
			Event planned for the 4 December and preparations for Guest Speakers & Entertainment	World Aids day was a big success		Organized criteria to purchase	
						Event hosted was a great success with contributions from other relevant stakeholders	

Planning and Building Control Department

Department: DIRECTORATE PLANNING AND BUILDING CONTROL							
KPA	Objective	KPIs	2008/2009		2009/2010		Measure s to improve perform ance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achiev ement s	
Infrastructu re & basic Service Delivery	To install phase 1 of the filing system	New Filing System (phase one)	Complete installation of new filing system	Installation of filing system completed	No target set as there was no budget		
	To install phase 2 of the filing system	New filing System (phase two)	Installation of filing system hardware	Not achieved	No target set as there was no budget		

Department: DIRECTORATE PLANNING AND BUILDING CONTROL							
KPA	Objective	KPIs	2008/2009		2009/2010		Measure s to improve perform ance
Local Economic Development	Processing town planning applications within the regulated timeframes	Processing rezoning within timeframes – 100% compliance	Processing within 4 months of receipt	Achieved	Processing within 4 months of receipt	Achieved	
		Processing of Special Consent applications within prescribed timeframes.	Processing within 4 months of receipt	Achieved	Processing within 4 months of receipt	Achieved	
		Removal of restrictive condition application processed within 2 months of receipt	Processing within 2 months of receipt	Achieved	Processing within 2 months of receipt	Achieved	
		Subdivision applications processed within two months of receipt	Processing within 2 months of receipt	Achieved	Processing within 2 months of receipt	Achieved	
		DFA Applications within statutory timeframes –	Processing within 2 months of receipt	Achieved	Processing within 2 months of receipt	Achieved	

		two months of receipt by Designated Officer					
		Processing of Relaxation applications	Processing within 2 months of receipt	Achieved	Processing within 2 months of receipt	Achieved	
		Processing all building plans submitted within one month of receipt	100% compliance	85% Achieved	100% compliance	85% Achieved	
		Site Inspections in relation to Town Planning applications	Attending to	Achieved and ongoing	Attending to	Achieved and ongoing	
		Spatial Development Framework (SDF)	Adoption of the Reviewed SDF	Achieved	Adoption of the Reviewed SDF	Achieved	
		Land Use Management Systems (LUMS)	Completion of LUMS	90% Complete	Completion of LUMS	90% Complete	
		Rural LUMS (Nodal Development Framework) – Funding application	Secured funding for Rural Development Framework	Achieved	Secured funding for Rural Development Framework	Achieved	
		100% compliance with SBUM		Achieved and ongoing		Achieved and ongoing	
		Processing of scheme contraventions (illegal land uses)	Prosecution of reported cases of contraventions	Achieved and ongoing	Prosecution of reported cases of contraventions	Achieved and ongoing	
		Shared Services	Commencement with participation into the Ugu Planning Shared Service Centre	Achieved	Full participation into the Ugu Planning Shared Service Centre	Achieved	Appointment of a Senior Planner at Ugu scales posed a challenge but the post will be appointed on HCM scales on a full

							time basis
		Margate Urban Renewal Plan	Implementation of the Margate Urban Renewal Plan	Achieved as the business plan was endorsed by Council	Implementation of the Margate Urban Renewal Plan	Achieved but ongoing	Despite funding applications being made to various organisations shortage of funds to implement the concept remains a challenge
		Issuing of Occupancy Certificates.	Issuing occupation certificates within 14 days of receiving a request	Achieved	Issuing of Occupancy Certificate within 14 days of request.	Achieved	
		To implement the Planning and Development Act	Commencement with the implementation of the PDA in terms of Removal of Restrictive Condition applications	Achieved	Commencement with the implementation of the remaining sections of the PDA	Achieved	

Department: DIRECTORATE PLANNING AND BUILDING CONTROL							
KPA	Objective	KPIs	2008/2009		2009/2010		Measure s to improve perform ance
Institutional Development and Transformati on	To amend signage bylaws to be responsive to challenges experienced	Amending Signage Bylaws	Initiated amendment to the bylaws	50% complete	Finalizing the amendments to bylaws	100% complete	
	To develop an integrated Environmental Policy	Conducting research and commencement with the development of Environmental	Research undertaken and process commenced with	75% complete	Completion and adoption of the policy	Achieved	

		Policy					
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Department: DIRECTORATE PLANNING AND BUILDING CONTROL							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
Good Governance and Public Participation	To undertake the review of the SDF	Review undertaken and completed	Completed review	Achieved	Funding secured and review completed	Not Achieved	Lack of funding and will be done as phase 2 of Ugu SDF Review in 11/12
	To commence with the development of the Rural Node Planning Framework	Service provider appointed and the project commenced with	Service provider appointed	Achieved	Draft report developed	Achieved	Extensive consultations on draft proposals delayed the process such that the report will be adopted in September 2010
	To make progress in finalizing the Land Use Management Systems	Implementation of LUMS	Draft report on LUMS submitted to Kzn Cogta	Achieved	Input from Cogta and members of the public received and incorporated into the final report	Achieved	The final report will be adopted in September 2010
	Meeting with stakeholders on quality of services offered	Quarterly meetings held with stakeholders to get feedback on quality of services offered and to address ways to improve efficiencies in terms of service standards.	Conducting quarterly meetings with developers	Achieved	Conducting quarterly meetings with developers	50% Achieved	Some meetings had to be rescheduled because of commitments from developers

	To participate into the Ugu Shared Planning Services	Participation into Ugu Shared Services	Council resolution giving a go ahead to participate and associated funds secured	Achieved	Ongoing participation into the Shared Service	Achieved	Appointing a Planner at Ugu scales proved problematic but the post will be filled on full time basis using HCM scales
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Department: DIRECTORATE PLANNING AND BUILDING CONTROL							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
Financial Viability	To maximise opportunities for revenue creation	Issuing of occupation certificates	Issuing occupation certificates within 14 days of receiving a request	Achieved	Issuing occupation certificates within 14 days of receiving a request	Achieved	Focused approach to identify and deal with truant property owners occupying buildings without completion certificates thus avoiding re-evaluation of the property rates

DEPARTMENT: PROTECTION SERVICES							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Good Governance & Public Participation	Traffic Division						
	To provide a safe and secure Environment	To have 64 Roadblocks	To have 60 roadblocks	56	To have 64 Roadblocks	67 Roadblocks were conducted	More staff and Vehicles are needed
	To provide a safe and secure Environment	To have 6 qualified Traffic Officers	To send 6 Traffic Officers for training	6 Traffic officers obtained Diplomas	To send 6 Traffic Officers for training	6 Traffic officers obtained Diplomas	Nil
	To provide a safe and secure Environment	Traffic Policing at intersections	Nil	N/A	To have Traffic officers at busy intersections	Traffic Officers were visible at intersections	Need more staff and vehicles to have efficient visibility
	To provide a safe and secure Environment	To train VIP unit	Nil	N/A	To send VIP officers for training	Was not done due to availability of service providers	Will pursue training in next budget
	To provide a safe and secure Environment	To conduct traffic education at schools	To conduct training at 12 schools	Training was done at 12 schools	To conduct training at 12 schools	Training was done at 12 schools	Organogram is being adjusted to have dedicated instructor.
	To provide a safe and secure Environment	To improve fitness level of staff	To conduct weekly physical training	Nil	Staff to undergo Physical training once a week	Was not done due to no showers	Showers need to be installed at work places.
	To improve service delivery	To decentrali	To have traffic	Nil	To assign	Partially done	Need more staff and

		se traffic services to MPCC areas	service closer to communities		staff to work at MPCC areas		vehicles to maintain efficient decentralization of services
		MLB Division					
	To improve service delivery	To extend the offices at the Testing station	Nil	N/A	To increase office space at the Testing station	Was not done due to budget constraints	Will pursue the extension of offices in the next budget
	To improve service delivery	To decentralise licencing services to community	Nil	N/A	To have offices closer to the communities	Was not done due to Department of Transport not approving offices	Nil
POLICING Division							
	To provide a safe and secure Environment	To have a By-Law enforcement task team	Nil	N/A	To have a By-Law enforcement unit	Was not done due to resources committed at FIFA operations	All officers will be enforcing By-Laws from next financial year
	To improve service delivery	To upgrade Margate CC TV	To monitor crimes in CBD area	Nil	To upgrade CCTV room in Margate	Was not done due to availability of service providers	Will pursue upgrade in next budget
	To improve service delivery	To establish satellite reporting station at Shelly Beach	Nil	N/A	To establish satellite reporting station at Shelly Beach	This is a joint operation with SAPS	SAPS already have reporting station in Shelly Beach
	To improve service delivery	To decentralise Policing services to MPCC areas	To have Policing service closer to communities	Nil	To assign staff to work at MPCC areas	Partially done	Need more staff and vehicles

		FIRE Division					
	To improve service delivery	To have heavy duty fire engine	Nil	N/A	To purchase heavy duty fire engine	Was not done due to budget constraints	Will pursue the buying of a fire engine in the next budget
	To improve service delivery	To decentralise Fire services to community	Nil	N/A	To have services closer to the communities	Was done at MPCC's. Staff were alternating between Hibberdene and Kwa Madlala MPCC	Need more staff and vehicles to improve service at MPCC's
	To provide a safe and secure Environment	Establish Disaster Management Committee	Nil	N/A	To establish inter departmental committee	Was not done due to resources being utilised at FIFA	Will establish committee in Aug 2010
	To provide a safe and secure Environment	To promote safety to buildings	To conduct 180 inspections on buildings and plans	192 Inspections were done	To conduct 240 inspections	240 Inspections were done	Need more staff and vehicles
	To provide a safe and secure Environment	Installation of Fire hydrants in informal settlements	To liaise with Ugu District Municipality to install hydrants	Meetings were held with Ugu District Municipality	To liaise with Ugu District Municipality to install hydrants	Follow-up meetings were held with Ugu District Municipality	Will pursue the installation of hydrants in next year

		AIRPORT Division					
	To improve service delivery	To have an airport to accommodate larger aircrafts	Nil	N/A	To upgrade the airport for larger aircrafts	Was not done due to budget constraints	Will pursue upgrade of airport in new budget
	To provide a safe and secure Environment	To have Council staff trained in aviation security	Nil	N/A	To identify staff for aviation security	Was not done due to budget constraints.	Will identify staff in next budget

Department: CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009		2009/2010		Measure s to improve perform ance
			SDBIP targets	Actual Achieveme nt	SDBIP targets	Actual Achievem ents	
Infrastructur e & basic Service Delivery	1. Waste Managem ent Plan [IWMP]	Adopt and implement Waste Managem ent Annual Evaluation	Ensure that tender for he compilation of the Integrated Waste Management Annual Evaluation & appoint service provider to compile the Annual Evaluation by 30 June 2009.	Awarded Tender to Terratest. Status Quo Report submitted for HCM's comments.	Impleme nt & Monitor effectiven ess of IWMP.	Partially achieved. Collection of refuse in rural areas to be implemen ted as a pilot project in 2010/201 1 in KwaNdwa lane.	Effective collectio n of refuse utilizing compact ors.

Department: DIRECTORATE CLEANSING & MAINTENANCE

KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
	2. Construction of Garden Refuse Transfer Stations at Umtentweni and Hibberdene	Have 2 garden refuse stations operating at Umtentweni and Hibberdene.	Finalize Environment Impact Assessment and Record of Decision for the Hibberdene Site. Negotiations with Illovo Sugar for site for Umtentweni Stations. Prepare tender documents. Finalize agreement with Ugu District to dump garden refuse at Ugu Market.	Hibberdene Garden Refuse Transfer station – awaiting ROD from DAEA. Umtentweni Garden Refuse Transfer Station has been identified. Surveyor appointed .	Have 1 garden refuse transfer station operating at Hibberdene. Preparation for construction of Garden Transfer Station at Umtentweni.	Transfer Stations constructed at St. Faiths and Ugu Fresh Produce Market. Hibberdene Station subject to Appeal on Environmental Decision (ROD).	Follow up with DAEA for finalization of Appeal.

Department: DIRECTORATE CLEANSING & MAINTENANCE

KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
	3. Closure of Refuse Dumps at New Bolton	Ensure that refuse dumps are closed as per legislation.	Implement garden refuse/com post at Ugu Market. Compile E.I.A. Advertise tender for rehabilitation of New Bolton Site.	Tender awarded to Dumakude CC. Rehabilitation work in progress.	N/A	N/A	N/A

Department: DIRECTORATE CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
	4. Effective Refuse Removal System	Ensure that refuse is removed timeously.	Ensure fleet is well maintained for upliftment of refuse.	Fleet has been kept maintained and operational during this quarter. Backlogs occurred due to downtime to machines.	Refuse is removed timeously as per programme. Tender for upliftment of Refuse Southbroom to Port Edward Acquire 3 Refuse Compactors	New tender awarded for refuse collection in Southbroom (Emerald Fire) w.e.f. 01/10/2009. 2 New Refuse Compactors received in July 2010. No backlogs experienced for more than 48 hours.	Strict maintenance of Performance of service provider. Redeploy compactors from other depots to assist with backlog.
		Acquire New Skip Truck for Transfer Stations	Acquire new skip truck. New tender by Fleet Manager.	Skip truck received in 2009/2010	N/A/	N/A	N/A

Department: DIRECTORATE CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009	2009/2010	Measures to improve performance		
	5. Oatlands Regional Refuse Site	Ensure regional site is operating as per legislation and per contract awarded.	Attend monthly meeting of landfill site. Investigate Phase 4 of site for MIG Funding. Ensure recycling and composting is occurring at site as per contract.	Monthly meetings attended. Recycling occurring at the site as per contract. Awaiting MIG Funding for Oatlands. Investigation on Phase 4 started.	To operate site as per legislation. Site does not affect residents within the immediate vicinity and is available "free of charge" to residents to dispose of garden refuse.	Completion of Phase 4 A. Not yet operational due to minor repairs required as a result of storm water damage in November 2009.	Engage assistance from Directorate Human Settlements and Infrastructure .
	6. Recycling	Reduction in Waste to Regional Refuse Site	Finalise Lease Agreement. Call for proposals to operate recycling centre at 1 Ravine Lane, Port Shepstone.	Lease agreement not finalized. Building repaired. Equipment in the process of being delivered.	Recycling Buy Back Centre established.	Pilot project for recycling of waste at Port Shepstone implemented. Supplement recycling operations at the Oatlands Landfill site.	Improve tonnage of recyclable material through education campaigns

Department: DIRECTORATE CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009	2009/2010	Measures to improve performance		
	7. Maintenance and Operations of Cemeteries	Clean and well kept cemeteries	Maintenance and operations daily.	Cemeteries are kept tidy and open 7 days per week.	Well maintained Cemeteries. Burials done 7 days a week.	Continuous operation seven days per week. Additional burial space made available at Oslo Beach and Nositha Cemeteries.	Weekly examination of cemeteries by Superintendents.
	8. Verge Maintenance	Neat and Clean Verges/ sidewalks	Monitor contracts for compliance of tender. Finalise areas that are to be outsourced with effect from 1 st July 2008	Tender advertised for outsourcing in July 2008. All contracts monitored for compliance of tender.	Neat and clean verges/ sidewalks. Job Creation.	Verges cut once a month and maintained to a reasonable standard.	Weekly meeting by Area Manager's with Superintendents and Supervisor on verge cutting programmes. Identify problem areas timeously.

Department: DIRECTORATE CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Institutional transformation a& Development	13. Training of Peace Officers	Enforcement of By-laws.	Select and train 4 Peace Officers for each depot.	3 Peace Officers trained.	4 Peace Officers Trained.	Function now transferred to Directorate Protection Services therefore no need to train Peace Officers.	N/A
	14. Sensitive Staff on HIV/AIDS Issues Promote HIV/AIDS Awareness Channels of Communication of Staff e: HIV/AIDS	100% of Staff to attend workshops. Publicity on HIV/AIDS. Staff with illness need to perform duties more suitable with their physical abilities.	Engage with Directorate Health and Community Services to develop documentation for workshops. Thereafter to hold workshop at all depots. 60 Adverts this quarter on bins and vehicles. Develop Policy for alternative employment opportunities.	2 HIV/AIDS Workshops held. Condoms placed at all staff facilities in depots.	To create awareness amongst staff on HIV/AIDS Issues. To prevent the spread of HIV/AIDS.	Workshops held with staff. Posters placed on dustbins and signage on vehicles.	Encourage staff to utilize Council Wellness Centre.

Department: DIRECTORATE CLEANSING & MAINTENANCE							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Good Governance & Public Participation	16 .Solid Waste Bylaws	Adoption of Bylaws for Refuse	Ensure that the adoption and promulgation of these bylaws is completed by 30/06/2009.	Promulgated.	Enforcement of Bylaws. Review of Bylaws for IWMP Compliance.	Process of Review still been undertaken by Waste Management Control Officer and Manager Legal Services.	N/A
	17. Anti Litter Campaign	Tidiness of the Area.	One Clean Up Campaign per Quarter.	7 Campaigns completed .	Cleaner Wards in Hibiscus Coast Municipality . 1 Clean up per depot every six months.	9 Anti Litter Campaigns conducted during the year.	Education Campaign
Local Economic Development	18. Food for Waste	Keeping environment clean	Assist in the picking up of refuse collected by beneficiaries twice a week	Directorate working with DEDP in bi-weekly collection of refuse.	Assist in the picking up of refuse collected by beneficiaries twice a week	Creating employment for the poorest of the poor and reimbursed by means of food parcels.	Ensure food is distributed in accordance of waste collected which results in areas being left clean.
	19. Siyanakela	Keeping environment clean	Assist in the grass cutting	Directorate working with DEDP for the Expanded Public Works Programme	Grass cutting done .	Creating employment for the poorest of the poor and reimbursed by means of food parcels.	

Department: Treasury							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Financial Viability and Management	Budgeting and Reporting	To do a full GRAP implementation plan for the 2008/2009 reporting period	GRAP compliance plan 2008/2009 approved and implemented	Achieved. The plan was presented to Council	1. Moveable property compliant asset register and impairment reviews 2. Asset management policy review 3. Infrastructure assets - sourcing of external funds	1. There are financial constraints affecting a full implementation assets 2. Not done. The policy review was deemed unnecessary 3. Achieved, the application and motivation was sent	Ensure the GRAP compliance plan is constantly updated, reviewed and compliant
Financial Viability and Management	Budgeting and Reporting	To produce annual financial statements by the prescribed time frame	To prepare and submit the annual financial statements by 31 August 2009	Achieved	To prepare and submit the annual financial statements by 31 August 2010	Achieved.	Ensure that staff are constantly capacitated and keep abreast with legislative changes
Financial Viability and Management	Budgeting and Reporting	To implement and maintain corrective measures for all issues raised by the auditors	To have all matters cleared	Achieved- Report submitted to Finance and Budget Portfolio	To implement and maintain corrective measures for all issues raised by the auditors	Ongoing	Ensure that staff are constantly capacitated and keep abreast with legislative changes

Department: Treasury							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Financial Viability and Management	Supply Change Management and Expenditure	Stakeholder information sessions	To conduct quarterly stakeholder information sessions	Not achieved	To conduct quarterly stakeholder information sessions	Achieved	
Financial Viability and Management	Supply Change Management and Expenditure	To review the payment and procedures policy to comply with the MFMA	To have reviewed the policy by 30 June 2009	Not achieved	To have reviewed the policy by 30 June 2010	Achieved	
Financial Viability and Management	Supply Change Management and Expenditure	To review the supply chain management policy in order to align it with legislative developments	To have reviewed the policy by 30 June 2009	Achieved	To have reviewed the policy by 30 June 2010	Achieved and ongoing	
Financial Viability and Management	Budgeting and Reporting	To develop and implement a cost reduction strategy	To develop and implement a cost reduction strategy by 30 June 2009	Achieved-the strategy document has been developed			

Department: Chief Financial Officer

KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievements	SDBIP targets	Actual Achievements	
Municipal Transformation and Institutional Development	Cashier office revamping	To revamp and ensure the cashier offices are secured	1. Meet with Standard Bank to finalize the plan	1. Achieved Pilot project in place	1. Meet with Standard Bank to monitor the pilot project	1. Achieved Pilot project in place	1. Budget constraints for securing the building
			2. Procurement and implementation	2. Postponed to after the pilot project	2. Procurement and implementation	2. Postponed to after the pilot project	2. N/a
Municipal Transformation and Institutional Development	Budgeting and Reporting	To do a full assets GRAP implementation	To submit an approved detailed plan for the 2008/2009 year and to assist departments with assets verification	Achieved- a detailed working plan was submitted to Finance and Budget Portfolio and approved	1. Moveable property compliant asset register and impairment reviews 2. Asset management policy review	1. Achieved	

					3. Infrastructure assets-sourcing of external funds to assist with the project		
						2. Not achieved-the policy review was deemed unnecessary	
						3. A detailed application and motivation was submitted	

DEPARTMENT: TREASURY							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Financial Viability and Management	Financial Management	Debt reduction	To reduce the total outstanding debt by 15% per quarter	Not achieved	Set and approve monthly targets by 30 June 2010	Achieved targeted areas and monthly reviews	Update and maintain an effective consumer data base

Financial Viability and Management	Financial Management	Implement the Municipal Property Rates Act (MRPA)	1. To complete the supplementary roll and close off of the valuation project 2. To complete the appeals processes	1. Achieved-a supplementary valuation roll was received 2. Not achieved	1. To receive the 2009/2010 supplementary valuation roll by 31 March 2010 2. To complete the administration of the appeals process	1. Achieved 2. Achieved – MEC offices to appoint another professional valuer	
Financial Viability and Management	Supply Change Management and Expenditure	IRP 5 Tax training for Councilors and section 57's			To conduct a tax training workshop for all Councilors and section 57 employees	Achieved	To hold regular workshops as legislation changes
Financial Viability and Management	Supply Change Management and Expenditure	Transfer of 3 rd party utility accounts to users			1. Send notices to all 3 rd party users by registered mail 2. Send notices to service providers (UGU and Eskom)	1. Achieved 2. Achieved	

DEPARTMENT: TREASURY							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Financial Viability and Management	Financial Management	To produce timely, accurate and quality reports			Review reports submitted to Finance and Budget Portfolio	Not achieved	
Financial Viability and Management	Financial Management	Approved budgets in correct formats			To prepare and submit credible budgets by 31 May 2010	Achieved	
Financial Viability and Management	Supply Change Management and Expenditure	Prepare and develop a capital procurement plan			1. Approve the capital projects procurement plan	1. Achieved	

					2. Approve the departmental capital projects procurement plan		
						2. Achieved	
Financial Viability and Management	Financial Management	Establish customer call and contact centres			To establish a customer call and customer care centre in Margate and Port Shepstone	Achieved in Margate but not in Port Shepstone	Staff need to be capacitated in customer relations

DEPARTMENT: TREASURY							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievements	SDBIP targets	Actual Achievements	
Financial Viability and Management	Financial Management /Departmental Support	Fleet management issues and vehicle expenditure monitoring			1. Determining of previous years expenditure for use as a comparative	1. Not achieved	The service providers of the financial accounting system are addressing shortfalls within the fleet and costing

					2. Monitor and determine if the breakdown/repair is consistent with the previous year	2. Not achieved	reports
					3. Monitoring and reporting on expenditure per vehicle	3. Not achieved	
					4. Determining of final cost comparison and running efficiency of the vehicle	4. Not achieved	
					5. To have well trained and disciplined drivers within the fleet	5. Achieved in respect of all specialized vehicle drivers i.e. refuse compactor s and skips	

Department: Treasury							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievements	SDBIP targets	Actual Achievements	

Financial Viability and Management	Financial Management	Debt reduction	To reduce the total outstanding debt by 15% per quarter	Not achieved	Set and approve monthly targets by 30 June 2010	Achieved targeted areas and monthly reviews	Update and maintain an effective consumer data base
Financial Viability and Management	Financial Management	Implement the Municipal Property Rates Act (MRPA)	<p>1. To complete the supplementary roll and close off of the valuation project</p> <p>2. To complete the appeals processes</p>	<p>1. Achieved-a supplementary valuation roll was received</p> <p>2. Not achieved</p>	<p>1. To receive the 2009/2010 supplementary valuation roll by 31 March 2010</p> <p>2. To complete the administration of the appeals process</p>	<p>1. Achieved</p> <p>2. Achieved-MEC offices to appoint another professional valuer</p>	
Financial Viability and Management	Supply Change Management and Expenditure	IRP 5 Tax training for Councilors and section 57's			To conduct a tax training workshop for all Councilors and section 57 employees	Achieved	To hold regular workshops as legislation changes
Financial Viability and Management	Supply Change Management and Expenditure	Transfer of 3 rd party utility accounts to users			1. Send notices to all 3 rd party users by registered mail	1. Achieved	

					2. Send notices to service providers (UGU and Eskom)	2. Achieved	
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DEPARTMENT: TREASURY							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Financial Viability and Management	Financial Management	Finalize the transitional arrangements for special rating areas			1. Request legal opinion/advice re the continuation of the service 2. Send letters to residents to vote for or object for continuation of the service	1. Achieved – opinion submitted to Council 2. Achieved letters were sent	
Financial Viability and Management	Financial Management	Review the rates policy			Review the policy by 30 April 2010	Achieved	

DEPARTMENT: ECONOMIC DEVELOPMENT							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Local Economic Development	Functional and sustainable abattoir to enhance local economic empowerment	KwaXolo Chicken Abattoir	Hold one steering committee meeting	Achieved	Finalized equipment installation	Partially achieved	Engaged the service provider
			Procure equipment	Achieved	Functional poultry producers committee	Achieved	
					Induction of supplying cooperatives	Achieved	
Local Economic Development	Integrated Food security initiative	Siyazenzela	Training of beneficiaries on exit strategies	Achieved	Monthly collection and distribution	Achieved	None
			Monthly collection and distribution	Achieved	Quarterly meetings with all supervisors	Achieved	None

DEPARTMENT: ECONOMIC DEVELOPMENT							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievements	SDBIP targets	Actual Achievement	
Local	Integrated	Poverty	Assisting	Achieved	Assist pre-	Achieved	None

Economic Development	Food security initiatives	Alleviation	communities with agricultural inputs Secure proper working relations with the Department of agriculture	Partially Achieved	identified community gardens with inputs Continuous monitoring and evaluation of identified community gardens	Achieved	None
Local Economic Development	To ensure development of functional and viable SMME and Cooperatives	Co-operatives and SMME Advancement	Facilitate access to funding for SMMEs Formalize a partnership agreement with SEDA	Achieved Not achieved	Development of an SMME and Cooperatives database Audit of all LED projects Ravine Lane Industrial park feasibility study development	Partially Achieved Partially achieved Achieved	Further engaged other institutions of support

DEPARTMENT: ECONOMIC DEVELOPMENT							
KPA	Objectives	KPIS	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual achievements	SDBIP targets	Actual achievements	
Local Economic Development	To ensure service delivery decentralization and access to all citizens	Thusong centres	Finalization of anchor projects for operating centres Appointment of Thusong Centre staff Ensure smooth implementation of the Thusong Youth Programme	Achieved Not Achieved Achieved	Operationalize KwaXolo and KwaNzimakwe Issue calls for proposals (PPP) at Thusong Centres Monitor the implementation of anchor projects	Not Achieved Achieved Achieved	Engaged other internal departments
Local Economic Development	To process business applications	Business licensing	Speedily process business	Achieved	Maintaining business license	Achieved Achieved	None

ent	within the shortest possible timeframe		licenses (Within 3 weeks of receipt of application)		database Issuing of business licenses		
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DEPARTMENT: ECONOMIC DEVELOPMENT							
KPAs	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual achievements	SDBIP targets	Actual achievements	
Local Economic Development	To ensure functional and thriving second economy	Second Economy advancement	Issuing of trading permits Quarterly meetings with all informal traders	Achieved Achieved	Feasibility and business plan for the Food Carts Project Formation of Informal traders registration committee	Achieved Achieved	Engaged all relevant stakeholders
Local Economic Development	Economic empowerment and development	Tourism Development	Engage Amafa Heritage to set up caves tourism at KwaXolo Assist emerging tourism product owners with market exposure through exhibitions	Achieved Achieved	Facilitate development of the business plan for KwaXolo Caves Facilitate funding from DTI for the birding group	Achieved Achieved	

DEPARTMENT: ECONOMIC DEVELOPMENT							
KPA	Objectives	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual achievements	SDBIP targets	Actual achievements	
Local Economic Development	To develop direction towards economic development	LED Strategy Development	Submit funding requests to provincial partners	Achieved	Formulate the LED Strategy	Partially achieved	Further engaged our provincial partners

Local Economic Development		Margate Airport development	Submit funding requests to develop Margate Airport	Achieved	Development of ToR's for the development of Margate Airport Facilitate the setting up of the Margate Airport Task Team Ensure the sitting of the Margate Airport Task Team	Achieved Achieved	Engaged more prospective partners

Department: Human Settlements and Infrastructure							
KPA	Objective	KPIs	2008/2009		2009/2010		Measures to improve performance
			SDBIP targets	Actual Achievement	SDBIP targets	Actual Achievements	
Infrastructure & basic Service Delivery	To facilitate the provision of water by Ugu DM.	Households with Access to Basic Water			44 718	45 244	Provision of water is now prioritized by the Ugu DM
		New water connections			500	526	
		Number of Quarterly Reports from Ugu DM	4	4	4	5	
	To facilitate provision sanitation	Households with Access to Basic Sanitation	23 260	22 310	25 079	23 979	Provision of sanitation is now prioritized by the Ugu DM
		New Sanitation connections	950	1100	1 100	1 819	
		Number of Quarterly Reports from Ugu DM	4	4	4	4	

	To provide universal access to electricity	Households with Access to Electricity	44 410	43 910	43 910	43 060	
		New Electrical connections	500	502	850	1 000	
		Number of households without Access to Electricity	12 980	12 480	11 630	11 480	
	To provide access to Free Basic Services	Households with Access to Free Basic Water	433	450	650	900	
		Households with Access to Free Basic Sanitation	950	1 100	1100	1 350	
		Households with Access to Free Electricity					
	To ensure access & mobility in HCM.	Kilometres of tarred roads constructed	12 km	12.3 km	12.5 km	15 km	
	i.e. Roads	Kilometres of gravel roads constructed	50 km	68 km	65 km	72 km	
		Kilometres of roads maintained	35 km (175 000m ²)	41.1 km (205 500m ²)	40 km (200 000m ²)	450 km (2 250 000m ²)	
	Bridges	Number of bridges constructed	11 planned	10 Achieved	6 Planned	4 Achieved	
	Walkways	Number of Walkways constructed	5	3	3	3	
	To provide community with public facilities	New Facilities Constructed	9 Crèches	2 Crèches	7 Crèches 1 Hall 1 Landfill	7 Crèches 1 Hall 1 Landfill	

		Facilities Upgraded	14 sports fields 7 Halls	8 sports fields 6 Halls	Site 6 sports fields 5 Halls	Site 6 sports fields 5 Halls	
	To ensure the provision of decent housing to HCM residents.	Slums Clearance	3 projects	0	3 Planned	2 Achieved	
		Urban Housing	4 projects (430 houses)	1 Achieved (64 houses)	4 projects (450 Sites Serviced ; 450 houses built, 10 Title Deeds Transferred)	3 Achieved (317 Sites Serviced, 75 houses built; 0 Title Deeds transferred)	
		Rural Housing	3 projects (1000 houses)	1 (1 Show house)	3 projects (2000 Sites Planned; 100 houses)	3 projects (3000 Sites Planned; 55 houses built)	
	To effectively manage staff	Monthly management meetings	12	12	12	12	
		Quarterly staff meetings	4	4	4	4	
	To implement Batho Pele principle	Community satisfaction on service delivery	0	0	0	0	

CHAPTER 6: Hibiscus Coast Development Agency Report

Mayor's Foreword

The Hibiscus Coast Development Agency hereafter referred to as the 'Agency' was established with the sole aim of being the implementing agent for high impact macro economic catalytic projects in line with municipality's Growth and Development Strategy. The central tenet of the Strategy is to foster economic development and attract inward investment thereby contributing to the strategic goals of reducing poverty and unemployment. To this end, the Agency was given a variety of programmes whose implementation was meant to change the economic landscape of the municipality for the better.

In summary the key focus areas of the Agency can be described as:

- Promotion of Inward Investment
- Area Regeneration
- Implementation of Catalytic Projects

Notwithstanding the noble and grand ideas on which the establishment of the Agency was premised it will be disingenuous to pretend as if the year under review did not present any challenges. Simply put it can be labelled as the breaking point for the Agency as the period under review has been characterized by serious institutional instabilities, mainly related to:

- Resignation of the board members including the chairman
- Expiry of the term of office of the board members
&
- Resignation of senior managers most notably the chief executive officer as well as the finance manager later in the year.

These massive resignations had a severe debilitating effect on implementation of programmes for the Agency such that with the exception of Margate Airport not much progress has been made therein. However it will not assist in lamenting on the challenges without providing remedial measures. In this regard, a clear directive was given to the administrative team lead by the Municipal Manager to stabilize the Agency and although too early to tell all indications are that the recovery process is gaining momentum. Looking forward, I am therefore confident that the subsequent report will be qualitatively better than this one as the year ahead ushers a new dawn for the Agency. Interactions with the Industrial Development Corporation, the main sponsors, are such that indeed the proposed interventions will yield the desired outcomes upon which the establishment of the Agency was premised.

Nolwazi Shusha
HCM MAYOR

Chief Executive Officer' Report

Report not received

Board of Directors report

Report not received

HCDA SERVICE DELIVERY REPORT

Report not received

CHAPTER 7: OVERSIGHT COMMITTEE REPORT

Annexure A: Chairperson's report

Annexure B: Oversight Committee Meeting Minutes



OVERSIGHT COMMITTEE

Minutes of an ordinary meeting

of the committee

held in

COUNCIL BOARDROOM, CIVIC CENTRE, 10 CONNOR STREET,

PORT SHEPSTONE

at

10:00

on

WEDNESDAY, 8 DECEMBER 2010

PRESENT:

Clr JL Narsimulu

Chairperson

Clr D Snashall

Clr JP Janse Van Vuuren

Clr NT Tshomela

APOLOGIES:

Clr A Gamble
Mr SW Mkhize

Municipal Manager

ABSENT:

Mr VK Chetty
Mr PN Mathebula
Mr P Govender
Mr S Nikelo

Director Protection Services
Director Corporate Services
Director Cleansing and Maintenance
Director Human Settlements and

ALSO PRESENT:

Mr M Mabece
Mrs S Cwele

Ms P Mngadi
Ms S Khuzwayo
Mr R Naidoo

Mr S Kati
Ms Z Ngubane
Ms K Smart

Acting Director Operations
Director Health and Community
Services
Director Economic Development
Chief Financial Officer
Acting Director Planning and
Building Control
Manager Internal Audit
Manager IDP
Committee Clerk

Ms S Cwele opened the meeting in prayer

1. NOTICE OF THE MEETING

The notice of the meeting was taken as read.

2. APPLICATION FOR LEAVE OF ABSENCE

Apologies were tendered for the following Official and Councillor for not attending the Oversight Committee meeting held in the Council Boardroom Wednesday, 8 December 2010:

Clr A Gamble
Mr SW Mkhize - Municipal Manager

Concerns raised:

That the attendance was poor from the Councilors as well as the Officials which affected the outcome of the Annual report;

The public representatives had not been nominated and appointed to the committee, it is urgent that the Municipal Manager ensure that there is public participation in the process.

3. ACCEPTANCE AND THE CONFIRMATION OF THE AGENDA

THAT the agenda of the Oversight Committee meeting held in the Council Boardroom, Civic Centre, Port Shepstone on Wednesday, 8 December 2010, be and is hereby accepted and confirmed.

4. CONFIRMATION OF MINUTES

4.1 MINUTES OF THE OVERSIGHT COMMITTEE MEETING HELD IN THE COMMITTEE BOARDROOM FRIDAY, 26 MARCH 2010

The minutes appearing on page 4 of the agenda was considered.

RESOLVED

THAT the minutes of the Oversight Committee Meeting held in the Council Chambers on Friday, 26 March 2010, be and are accepted and confirmed.

5. **FOR NOTING**

Nil

6. **FOR CONSIDERATION**

6.1 HIBISCUS COAST MUNICIPAL ANNUAL REPORT 2009/2010 OVERSIGHT COMMITTEE TO COMPILE THE OVERSIGHT REPORT (58/3/1/1) (DO0852010)

The report appearing on page 11 of the agenda was considered.

The following concerns arose out of the discussion:

6.1.1 That the Performance Audit Committee had not been meeting on a regular basis;

6.1.2 The Head of Departments had not been submitting the reports timously;

RESOLVED

1. THAT the report dated 29 November 2010 submitted by the Acting Director Operations regarding the Hibiscus Coast Municipal Draft Annual Report 2009/2010 and the compilation of the Oversight Committee report, be and is hereby received and noted;

2. THAT the Oversight Committee considers the 2009/2010 Draft Annual Report subject to the following amendment:

The Mayors and Municipal Manager's foreword needed to be submitted;

The Auditor General's and Audit Committee Chairperson's report to be attached

Page 19 under the heading "Council Activities" after "Women's" insert "month";

Page 41 2.3 under the heading "revenue generated during the 2009/2010 financial year" the amount of R499,777,240.00 was not the amount generated from building plans but the value of the plans submitted;

Page 49 seven bullet down after "project:" omit the word "contributed" and add "managed";

Page 51 the first sentence at the top of the page it was unclear what the Director was trying to say, the Director to amend the sentence;

Page 54 the "total cost to employer" needed to be in a block form and detailed what the expenditure was for;

Page 55 the report from the Director Economic Development was too scanty and needed more information;

Page 57 the blocks that show the diversity of the employees needed to have a heading;

the “total cost to employer” needed to be in a block form and detailed what the expenditure was for;

The heading for Corporate Services was omitted;

The minimal levels of competency in the top management and managers level needed to be reviewed as the Hibiscus Coast Municipality was now above the R5000 000 000.00 level according to the Municipal Financial Management Act circular 64 a report needed to be submitted reflecting the competency levels and who doesn’t have the required competency level without naming the persons; and

In the Annual Performance Report the Department names needed to be reflected outside the block format.

3. THAT it be noted that no report had been received from the Hibiscus Coast Development Agency;
4. THAT the Draft Annual Report be tabled at the next Executive Committee meeting for consideration;
5. THAT the nomination of public representatives need to be addressed and finalized before the next meeting;
6. THAT departmental Key Performance Indicators (KPI’s) needed to be submitted to the respective Portfolio Committees on a monthly basis, once it had been ratified it was then sent to the Oversight meeting; and
7. THAT the final Annual Report be publicly accessible.

Ms S Cwele left at 11:20.

The meeting terminated at 11:32.

CHAIRPERSON

DATE

ACRONYMS

ABET	Adult Basic Education and Training
ACDP	African Christian Democratic Party
AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ARV	Antiretroviral (Treatment or Therapy)
BBBEE	Broad Based Black Economic Development
CAA	Civil Aviation Authority
CBD	Central Business District
CCTV	Closed Circuit Television (Camera)
CFO	Chief Financial Officer
CBO	Community Based Organisation
CHBC	Community Home Based Care

CMIP	Consolidated Municipal Infrastructure Programme
CMRA	Centre for Municipal Research and Advice (HIV & AIDS)
DA	Democratic Alliance
DAC	KZN Department of Arts and Culture – Changed in May 2009 to KZN Department of Arts, Culture, Sport and Recreation
DAEA	KZN Department of Agriculture and Environmental Affairs
DC 21	Ugu District Council
DBSA	Development Bank of South Africa
DCM	Director Cleansing and Maintenance
DCS	Director Corporate Services
DEDP	Director Economic Development and Planning
DFA	Development Facilitation Act, 1995 (Act no. 67 of 1995)
DHCS	Director Health and Community Services
DHI	Director Housing and Infrastructure – Changed after May 2009 to Director Human Settlements and Infrastructure
DHSI	Director/ate Human Settlements and Infrastructure
DLGTA	Department of Local Government and Traditional Affairs
DO	Director Operations
DORA	Division of Revenue Act
DOT	Department of Transport
DPBC	Director Planning and Building Control
DPLG	Department of Provincial & Local Government
DPS	Director Protection Services
DWAF	Department of Water Affairs and Forestry
EHO	Environmental Health Officer
EIA	Environmental Impact Assessment

EMP	Environmental Management Plan
EPWP	Extended Public Works Project
EXCO	Executive Committee
FF+	Freedom Front Plus
FPA	Fire Protection Association
GAMAP	General Accepted Municipal Accounting Practices
GDP	Gross Domestic Product
GIS	Geographical Information System
GRAP	General Recognized Accounting Practice
HCDA	Hibiscus Coast Development Agency
HCM	Hibiscus Coast Municipality
HIRA	Hazard Identification and Risk Assessment
HOD	Head of Department
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations
ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
KPI	Key Performance Indicator
KZN 216	KwaZulu Natal
LED	Local Economic Development

LUMS	Land Usage Management System
MEC	Member of Executive Committee of Provincial Government
MF	Minority Front
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MIG	Municipal Infrastructure Grant
MLB	Motor Licensing Bureau
MM	Municipal Manager
MOU	Memorandum of understanding
MPCC	Multi Purpose Community Centre
MPRA	Municipal Property Rates Act, 2004 (Act no. 6 of 2004)
MTAS	Municipal Turnaround Strategy
MTEF	Medium term expenditure framework
NGO	Non Governmental Organisation
OVC	Orphan and Vulnerable Child
PDA	Planning Development Act (KwaZulu-Natal) 2008 (Act 6 of 2008)
PDI	Previously Disadvantaged Individuals
PHC	Primary Health Care
PMS	Performance Management System
PPDC	Provincial Planning and Development Commission
PPP	Private Public Partnership
Province	KwaZulu Natal Provincial Government
ROD	Record of Decision
RSA	Republic of South Africa

SALGA	South African Local Government Association
SBUM	Shelly Beach, Uvongo and Margate
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
STI	Sexually transmitted infections
TB	Tuberculosis
TLC	Transitional Local Council
TOP	Termination of Pregnancy
TPS	Town Planning Scheme
VCT	Voluntary Counselling and Testing
WSDP	Water Services Development Plan